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COMMITTEE PRINT

OUR THIRD CENTURY: DIRECTIONS

A SYMPOSIUM

COMMITTEE ON GOVERNMENT OPERATIONS
UNITED STATES SENATE

APPENDIX



FEBRUARY 4, 5, AND 6, 1976



Printed for the use of the Committee on Government Operations

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WASHINGTON : 1976

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April 11, 1976

Mr. Norman Beckman
Acting Director
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Dear Mr. Beckman:

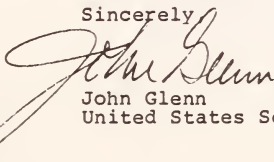
Last February the Senate Government Operations Committee held a symposium entitled "Our Third Century: Directions", at which I was privileged to act as Chairman.

One of the purposes of the symposium was to stimulate thought concerning methods by which our government might best set future goals and adopt strategies for achieving them.

I believe it would be an important and useful adjunct to the record of our proceedings if the Congressional Research Service of the Library of Congress could produce a volume of selected readings and bibliography representing various points of view on the subject of the setting of national priorities.

Such a volume would be printed as a companion volume to the record of the symposium and would serve as a research resource for all interested persons.

Sincerely,



John Glenn
United States Senator

JG/lwo

(III)



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May 18, 1976

The Honorable John Glenn
Committee on Government Operations
United States Senate
Washington, D.C.

Dear Senator Glenn:

I am pleased to transmit to you this document entitled "National Priorities and Planning: Selected Readings and Bibliography," which was prepared by the Congressional Research Service pursuant to your request.

The document, which was prepared by Clay H. Wellborn of our Government Division, presents a selection of readings related to the issues raised in your recent symposium entitled "Our Third Century: Directions." As a reference to further reading on the issues raised during the symposium, the document includes a bibliography on national goals and priorities and on approaches to national planning and strategic assessment.

Sincerely

Norman Beckman
Acting Director

(V)

NATIONAL PRIORITIES AND PLANNING
Selected Readings and Bibliography

prepared at the request of

Committee on Government Operations
Symposium on Our Third Century
United States Senate

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(VII)

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INTRODUCTION

INTRODUCTION

In early February of 1976, the Senate Committee on Government Operations held a three-day symposium entitled "Our Third Century: Directions." Under the chairmanship of Senator John Glenn, a varied group of distinguished witnesses representing a cross-section of the nation's intellectual leadership addressed the following three questions:

1. What role should the government play in setting long-range goals and in the development of strategies for achieving those goals?
2. What is government presently doing in this regard and is it in any way deficient?
3. If it is deficient, what can be done to improve the effort either through reform of existing institutions or the development of new institutions?

Within the framework of these three questions, the discussion covered a broad range of subjects. Among the matters that were included in the discussion were the need for foresight in public policy matters, the need for structural reform in Congress, improvement of information gathering and policy analysis in both the Executive and Legislative Branches of the Federal Government, improvements in our nation's educational system to achieve fuller participation of the public in civic affairs, increased attention by political parties to long-term national objectives, the need to link the annual budget to clearly stated national goals and objectives, and the need to recognize that domestic and foreign policies are often closely interrelated.

This volume of readings is not meant to replicate the ideas presented by participants in the symposium or to offer support for the points on which there was consensus. Rather, the purpose of this volume is to present a selection of readings and a bibliography to provide a context for reviewing the participants' comments and for considering alternative approaches to formulating national goals, objectives, and priorities and for considering ways to plan courses of action to achieve those goals and objectives.

Background

Over the years there has been a recurring interest in setting national goals, in examining the important choices America must make in order to shape its future, and in establishing an improved framework for planning and decision-making in the Federal Government. Much of this interest can be explained by the growing awareness of the complex ways governmental policies and programs are related to one another and impact upon one another. The recurring interest in goals and planning can be seen, for example, in title VII of the Housing and Urban Development Act of 1970, which called for the development of a national growth policy, in Federal attention to questions of "balanced" national growth, in the introduction of a series of bills in the House and in the Senate dealing with the establishment of national goals and priorities in a variety of fields, in public calls for improved policy analysis and for a future orientation in both the Executive and Legislative Branches, and in legislation

that would create national planning bodies to recommend goals and objectives and that would design alternative courses to achieve those goals and objectives.

Legislation introduced in the 93d and 94th Congresses provides illustrations of the forms which the interest in national goals and national planning has been taking.

The "Full Opportunity and National Goals and Priorities Act" introduced as S. 5 in the 93d Congress would have created a Council of Social Advisers analogous to the Council of Economic Advisers. It would have established a Congressional Office of Goals and Priorities Analysis as well. S. 5 would have required the President to prepare and submit to Congress an annual social report aimed at (1) describing the overall progress and effectiveness of Federal efforts designed to carry out the full opportunities policy declared in the proposed Act, (2) reviewing the efforts of State and local governments and of the private sector in carrying out the declared policies, (3) setting forth current and likely future needs for improved efforts, and (4) specifying programs and policies for carrying out the purposes of the Act, together with recommendations for needed or desirable legislation. The Congressional Office of Goals and Priorities Analysis would be required to prepare a "National Goals and Priorities Report" that would contain (1) an analysis of the Budget, the Economic Report, and the proposed Social Report in terms of national goals and priorities, (2) an examination of available national resources

and cost implications of alternative sets of national priorities, and (3) recommendations on spending priorities among Federal programs. These two reports would be submitted to appropriate standing committees of each house of Congress as well as to the Joint Economic Committee.

The "National Growth Policy Planning Act" proposed as S. 1286 in the 93d Congress would establish a National Growth Policy Planning Council -- in effect a national planning board -- which would absorb the functions of the Domestic Council and the Advisory Commission on Intergovernmental Relations. It would be charged with the development of national growth policy with the participation of all levels of government in the Federal system, with the administration of grant-in-aid programs to help support non-Federal participation in this policy-making mechanism, and with creating flexible Federal guidelines for the development of growth policy plans by State governments and by metropolitan agencies. The bill would also provide for the establishment of multi-State regional growth planning and development commissions and for State and metropolitan development agencies, as well as for a National Development Bank. Federal agencies would be required to give attention to the growth impacts of their individual activities and recommendations. In general terms this bill would establish a mechanism for general policy guidance for national growth and development priorities -- a "top-down" statement of national purposes. The Council of Economic Advisers, the Council on Environmental Quality, and the proposed National Growth Policy Planning Council

would be required to review new and modified growth and development priorities, policies and programs in terms of their economic, environmental, and general impacts, reporting their findings and recommendations to the Growth Planning Council. This review mechanism would be coupled with an annual report on national growth and development. The bill would also provide for a "bottom-up" planning process as an input to the overall intergovernmental approach to national growth and development planning.

The "Balanced National Growth and Development Act of 1974" introduced in the 93d Congress as S. 3050 would establish an elaborate mechanism of new Federal entities as well as multi-State and State organizations to improve the goal-setting and policy formulation process of the Federal Government. Both Executive and Legislative Branch organizations are proposed in the bill. There are also organizations proposed to allow for systematic input from the private sectors as well. S. 3050 is broadly comprehensive; and in its initial sections it asserts that it is the responsibility of the Federal Government in conjunction with State and local governments to undertake the development of balanced national growth policy, incorporating "economic, social, environmental, and other appropriate considerations.

In the realm of national economic planning, S. 50, the "Full Employment and Balanced Growth Act of 1976"; S. 1795, the "Balanced Growth and Economic Planning Act of 1975"; and H.R. 10373, the "Balanced Economic Growth Act," all introduced in the 94th Congress, call for

the establishment of mechanisms for setting national economic objectives and of planning processes aimed at meeting those objectives. The proposed planning processes would include both the Executive and Legislative Branches. H.R. 10373, for example, provides for a relatively detailed procedure for Congressional participation in the long-range planning process through review of planning documents prepared by the Executive Branch and through the preparation of a concurrent resolution to disapprove the proposed economic plan should the Congress find it unacceptable.

A number of other proposals have been prepared outside the framework of legislation by a variety of scholars and others with an interest in public policy. These include proposals for the creation of an Office of Strategic Policy Assessment in the Executive Office of the President, as well as an analogous institution in the Legislative Branch; an Institute for Congress, which has in fact already been organized on an experimental basis as a private organization to provide policy analysis to the Congress; and an autonomous Planning Branch under a completely revised national constitution.

These, however, are only some of the most recent examples. The planning idea, as we generally understand it today, has been an occasionally reappearing public issue since the 'thirties, when it was put forward by the administration of Franklin D. Roosevelt. At that time planning had a heavy ideological overlay, an overlay that led eventually to political conflict. The question was whether planning, which at that

time was understood to include a strong dose of governmental intervention in the private enterprise system and in the operation of the market, had a place in America. The question, a properly political one, was resolved by about 1945 in favor of those who opposed governmental planning. Nevertheless, the policy and management mechanism of the Federal Government, which the planning idea sought to improve, continued to present difficulties and irrationalities. It was argued that the Federal Government needed a more rational approach to policy and program decision-making and to the coordination of these decisions across agency lines.

The national planning idea is usually discussed in terms of economic planning -- the current public debate on national planning, for example, has been stimulated by legislative proposals for economic planning -- but the planning idea is not limited to the realm of economics. It is an approach to management that includes (1) establishing goals and objectives, (2) designing alternative courses of action to achieve those goals and objectives, (3) evaluating each alternative in terms of its relative costs and benefits, (4) choosing the most beneficial course of action and coordinating the efforts of those who must implement the decision, and (5) monitoring and evaluating the process of implementation and the results of the actions taken, with special alertness for unforeseen effects. These central aspects of planning have nothing to do with government intervention in the private sector. They constitute an approach to internal organizational management applicable to government or to the private sector.

These central aspects of planning, or of what would be called more accurately "rational comprehensive planning," have an immediate intuitive appeal. They appear entirely reasonable elements of any thoughtful management process -- whether individual or organizational, public or private -- and they can be found in all sorts of planning literature. They can be seen in books to help one plan one's personal financial program and one's vacation, as well as in the extensive literature on corporate planning and in the many varieties of literature on planning in government at the local, State and Federal levels. They can also be seen in regulations covering planning assistance programs to State and local government.

Despite the intuitive appeal of the rational planning model and despite its widespread support, it has its detractors, especially with regard to its applicability to large, complex organizations operating in a pluralistic context. The Federal Government is the prime example of such an organization. These detractors would argue that the so-called "rational comprehensive" model of policy planning is simply not practicable. This debate has not been resolved, although it has come to focus less on the rational comprehensive model and its polar opposite, which is known as "disjointed incrementalism" or as "muddling through," and more on the middle ground between these extremes and on innovative approaches to planning. A portion of this volume is dedicated to presenting readings that represent various points of view in the continuing debate.

The mere continuation of the debate indicates that there remains a felt need to approach public policy making in a more systematic way and to have an institutional fabric in government that allows and encourages such a systematic consideration of public policy issues, not the least of which is the issue of national purposes and directions in America's third century. Another portion of the readings in this volume is addressed to such institutional questions. What is the capacity of the Executive Branch to approach policy analysis and planning in a systematic, coordinated way? What changes should be made? What is the capacity of the Congress? What can be done to help Congress approach broad national purposes and policy issues more analytically, more systematically, and with a view toward the shape that current decisions will give to our national future? The selections in this second set of readings include examples of critiques of governmental decision-making in both the Executive and Legislative Branches, critiques that carry with them proposals for improvements in the decision-making process. The proposals illustrate the persistence of the planning idea as a model for improvement.

Before discussing the specific contents of this volume, it should be emphasized that the readings collected here do not constitute a definitive, exhaustive statement of contemporary thought on governmental goal-setting and planning. The readings have been assembled with a view toward representing some of the major lines of thought that have been particularly visible in recent years.

Selected Readings

This reader is divided into five parts. Part 1 focuses on the question of establishing national goals and objectives. A paper prepared by Frankline P. Huddle for the Senate Committee on Interior and Insular Affairs traces the historical evolution of goals in the United States from the early days of the Nation through the early 1970's. A major product of the goals efforts of the late 1960's and the early 1970's was "Toward Balanced Growth: Quantity with Quality," the report of the National Goals Research Staff, which President Nixon had established in the White House. The report's introductory statement by Daniel P. Moynihan comments on setting goals and taking action in democratic society and is included as the second selection in this volume.

During the early 1970's the terms "national growth" and "balanced national growth" were in increasingly frequent use. The terms were ill-defined; they varied in meaning from speaker to speaker and from writer to writer. National goals and priorities were implicit in any discussion of national growth or of balanced growth, often remaining implicit, but sometimes specified. As in the varied usage of the terms growth and balanced growth, the implicit or explicit goals and priorities in such discussions were varied and often contradictory. In an attempt to clarify such discussions William Alonso prepared a paper entitled "Balanced Growth: Definitions and Alternatives," which reviews some of the varied meanings of the words in terms of explicit national objectives. A White

House memorandum from John D. Erlichman to members of the President's cabinet also raises a wide variety of questions about national growth as an operationally meaningful policy issue.

Part II consists of readings selected to illustrate expectations for planning in the 1930's and in the 1970's. The first selection in this part is extracted from the 1934 report of the National Resources Board and is entitled "A Plan for Planning." It presents the notion of what it calls "American planning" in implied contradistinction to planning in socialist countries; it reviews the types of planning found in the United States at the time of the report's publication; and it outlines what would be required to establish "American planning." The second selection is a recent article by Russell E. Train entitled, "We need a National Planning Mechanism," which appeals for the creation of an institutional capability to approach policy planning more rationally so that Federal policy can be suitably responsive to the increasingly complex world we live in. Finally, the brief article "Reflections of Planning: The Value of Uncertainty" by Kenneth Boulding makes a series of terse points about the strengths and weaknesses of planning.

Part III presents a selection of classic articles that define the range of the debate on the practicability of the rational comprehensive model of planning. Charles E. Lindblom attacks the model in his article "The Science of Muddling Through." Yehezkel Dror challenges the Lindblom formulation of "muddling through" -- which was to be known in

a later formulation as "disjointed incrementalism" -- calling it a "dangerous overreaction" to the difficulties in implementing the rational comprehensive model. Lindblom's reply to Dror is also included in Part III. Amitai Etzioni proposes a third approach to decision-making -- an approach he calls "mixed scanning," which he says reduces the "unrealistic aspects of rationalism by limiting the details required in fundamental decisions and helps to overcome the conservative slant of incrementalism by exploring longer-run alternatives." Part III closes with a summary analysis of the forms and styles of planning drawn from John Friedmann's book Retracking America and with an article by Richard M. Pious on "Sources of Domestic Policy Initiatives." The extract from Friedmann's book discusses the distinctions between allocative planning and innovative planning and reviews the various forms of planning within these two categories. The Pious article discusses policy initiatives which are in fact the outputs of innovative planning, although the focus is on implementation within the political process. The relationship between innovative planning and policy initiatives is seen in Pious's definition of his term: "A policy initiative . . . is a serious attempt to move the nation in new directions, rather than simply a rhetorical flourish or a tactical ploy. It is a political decision to take an innovation and gear it to action channels, such as the legislative or budgetary processes, and to apply pressure to move proposals in these channels. In short it is an attempt to make things happen."

Part IV contains readings that present critiques of policy making practices in the Federal Government together with proposals for improvement. An excerpt from historian Otis Graham's recent book Toward a Planned Society: from Roosevelt to Nixon reviews the efforts of the Nixon administration to achieve a reorganization of the Executive Branch to facilitate coordinated policy formulation and implementation, purposes which are central aspects of the planning and action continuum.

The Graham discussion of the planning efforts of the Nixon administration is followed by a working paper by Chester Cooper of the Woodrow Wilson International Center for Scholars at the Smithsonian Institution. The paper sets forth a proposal for the creation of institutions in the Executive and Legislative Branches to improve strategic policy assessment capabilities, a proposal mentioned in the article by Russell Train in Part II of this collection.

The Institute for Congress, a recently organized Washington-based research organization dedicated to providing policy analysis services to Congress is described in a news release from the Institute and in an article from the Washington Star by Martha Griffiths and William Ruckleshaus, the Institute's chairman and vice chairman, respectively.

Economic planning is discussed in an article by Robert Heilbroner, who asserts that "national economic planning will arrive when businessmen demand it -- and demand it they will, to save the capitalist

system;" in an interview with Wassily Leontief, who describes the functions of an economic planning board; and in an American Enterprise Institute analysis of the Humphrey-Javits proposal for national economic planning.

The readings selected for inclusion in this volume as well as the bibliography which comprises Part V, although not claiming to be comprehensive or exhaustive, do indicate something of the range and diversity of thought being directed to the ideas of planning and establishing national goals and priorities and improving the institutional framework for governmental decision-making in America's third century.

PART I

ESTABLISHING NATIONAL GOALS AND OBJECTIVES

JN U.S.

92d Congress }
1st Session }

COMMITTEE PRINT

THE EVOLUTION AND DYNAMICS OF NATIONAL GOALS IN THE UNITED STATES

PREPARED BY

DR. FRANKLIN P. HUDDLE

SCIENCE POLICY RESEARCH DIVISION
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AT THE REQUEST OF

HENRY M. JACKSON, *Chairman*COMMITTEE ON INTERIOR AND
INSULAR AFFAIRS
UNITED STATES SENATE

PURSUANT TO S. RES. 45

A National Fuels and Energy Policy Study

Serial No. 92-2



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WASHINGTON : 1971

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(II)

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Interior and Insular Affairs, United States Senate,
March 1974

MEMORANDUM OF THE CHAIRMAN

To: Members and ex-officio members of the Senate Committee on Interior and Insular Affairs.

From: Henry M. Jackson, chairman.

Re National fuels and energy policy study pursuant to S. Res. 45.

As we enter the latter one-third of the 20th century, the growing forces of change—social, environmental, technological—pose important and fundamental questions about our national goals. The forces of change also pose important challenges to our governmental institutions, to longstanding values and traditions, to our economy, to the manner in which we share national wealth, to our environment, to our strength as a nation, and, finally to our capacity to make rational decisions about controlling change and bringing into being the kind of future we desire for ourselves, for our children, and for humanity as a whole.

The energy policies that the Nation follows in the years and decades ahead will be a primary determinant in how these challenges are met. It is therefore appropriate that at the outset of the committee's study of national fuels and energy policy a review of declared and generally acknowledged national goals and their relationship to the elements and content of a national energy policy be undertaken.

Energy policy is not an end in itself; energy is a tool, and energy policy is a method of directing the useful employment of that tool. Energy policy must, therefore, be considered against a larger background than simply the problem of how to supply the energy that is demanded by society. Energy policy should be designed to promote and attain a broad range of generally agreed upon national goals, many of which are only indirectly related to existing or proposed energy systems.

National goals are, by necessity, a set of abstract expressions of the desires and aspirations of the American people. They are found in the Constitution, the laws, and the regulatory practices of Government; they are a reflection of the traditions, the culture, the ethics, and the hopes of the American people. A nation's goals provide a framework for analysis within which existing and alternative policies can be considered and tested. Energy policy is a means of achieving national goals, and one test—perhaps the only test of an energy policy—is its success in attaining the social and political conditions expressed in goal declarations.

Goals are future oriented. They contemplate a set of desired conditions which day-to-day decisions should assist in attaining. Because of this, any attempt to formulate policy without a careful appreciation of the ramifications and consequences of energy policy options will be

shortsighted and of doubtful consistency with the long-range public good.

A fundamental question, then, at the outset of this important study of national fuels and energy policy is the identification of relevant national goals, how they were formulated, and how they were implemented. The following study entitled "The Evolution and Dynamics of National Goals in the United States" was prepared at my request for the use of committee members by Dr. Franklin P. Huddle, specialist in science policy, Congressional Research Service, Library of Congress. It will be a useful background document for a symposium on "Energy Policy and National Goals" scheduled for early October.

The study selectively reviews the history of national goal formulation beginning with the Preamble to the Constitution of the United States. For the purposes of the committee's symposium, an especially helpful section of the study will be that part delineating the process and the specifics of national goal formulation from the Eisenhower administration, through those of Presidents Kennedy and Johnson, to the present Nixon administration. While members of the committee may not agree with the conclusions expressed in Dr. Huddle's study, it does provide a useful point of departure from which the committee may review national goals and identify the role of energy policy in the implementation of national goals.

While this study is not directed specifically at energy problems, a clearer understanding of the process of national goals formulation will help to provide a better understanding of the role that energy policy plays in assisting the achievement of stated national goals.

It is my hope that the committee's review of "Energy Policy and National Goals" at the scheduled symposium will produce discussion and general consensus in two major areas: the process of goal formulation and the substance of the goals themselves. With respect to the process, it is important to understand, or at least be sensitive to, how latent public desires and needs are translated into tangible national goals. With this process in mind, members of the committee can better appreciate the profound changes in basic values which are presently taking place in America and, hopefully, provide insight and guidance in the development of policies designed to attain new and changing goals.

Second, to the extent that agreement can be reached on the substance of the Nation's major goals, the committee will gain a powerful analytical tool that will be of great assistance in determining priorities on a rational basis, rather than merely calculating the short-term consequences of specific actions. Agreement on abstract goals will not, of course, mean that there will be agreement on specific energy policies or specific strategies to achieve the goals. Consensus will, however, provide a common reference point from which policy options may be discussed and judged. A continuing effort to evaluate energy policies in light of their relationship to national goals will assist analysis by making the inevitable conflicts and tradeoffs between competing goals and objectives more readily identifiable.

Another important feature of the committee's review of national goals will be a recognition that the Nation's major national goals are not always consistent and harmonious. Quite the opposite. Dr. Huddle's study notes, for example, that even within the confines of the

normative declarations found in the Constitution there are conflicts among goals.

Perhaps the only sure generalization that can be made about national goals is that in many important respects they are competitive, often contradictory, and that they change with time. For example, security of energy supply, low cost, and quality environment, are commonly cited as important energy policy goals. In many ways, however, these goals are mutually incompatible given today's technology. As a result, the statutory framework, the administrative actions, and the specific policies adopted to serve one or more of these goals frequently work at cross purposes with other policies and other goals and desires. It is no wonder then that a governmental energy policy which must serve widely disparate goals, and seek to accommodate them all, often results in a compromise that fully satisfies no one.

The complexity of a national energy policy is further confused by the fact that in many areas of policy concern, single-purpose, mission oriented agencies pursue narrow mandates which touch on only one or, at best, a few goals of significance to a comprehensive energy policy. A further complication is that there are institutional layers of policy—Federal, State and local—which are not always consistent.

A better understanding of the goal conflicts in existing energy policy will insure that proposed policies which are recommended to the committee are tested and evaluated in a comprehensive and critical manner, that important values are not ignored, and that tradeoffs are identified and consciously evaluated.

While the committee's review of the relationship between energy policy and declared national goals will be confined to the early portion of the study, this general topic will be a matter of continuing review and interest in all aspects of the committee's study in the months ahead.

THE LIBRARY OF CONGRESS,
CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., August 16, 1971.

HON. HENRY M. JACKSON,
Chairman, Interior and Insular Affairs Committee,
Senate, Washington, D.C.

DEAR SENATOR JACKSON: At your request this study of the formulation of national goals in the United States has been prepared by the Congressional Research Service. The study was undertaken by Dr. Franklin P. Huddle of our Science Policy Research Division. In discussions with your staff the understanding was reached that the present study would be essentially a general historical analysis.

It is appropriate to stress that a subject of such scope and magnitude as "The Evolution and Dynamics of National Goals in the United States" involves much selectivity in what is to be discussed and what left out. Every scholar must approach the subject on the basis of his own knowledge, experience, and values. This paper was prepared by a responsible, competent, and objective student of the subject. However, the fact remains that it is a study by a single scholar, and it should not be expected that all individual judgment can be excluded or that differences in opinion or analysis will not be evident from one study to the next. Indeed, few subjects with which CRS is asked to deal present this particular hazard to a greater degree.

If the purposes of the present study—as a background paper for the participants in a symposium on "Energy Policy and National Goals"—are adequately served, we shall be most gratified. The subject is a challenging one, and the observation of the author, that more intensive and systematic study of the future prospects of the United States is warranted, appears to be a pertinent point of departure for your symposium.

Sincerely yours,

LESTER S. JAYSON, *Director.*

THE EVOLUTION AND DYNAMICS OF
NATIONAL GOALS IN THE UNITED STATES

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I. INTRODUCTION

The purpose of this study is to identify the national issues implicated in the evolution and application of broad national goals in the United States. Although the study is intended as a background paper for a symposium on the future role of energy in a "postindustrial economy", its scope is limited primarily to a historical consideration of broad goals of the Nation, philosophical, actual, and proposed.

The pertinence of the study at this time in the Nation's history is that energy is today at the point of impact of two sets of large changes in the flow of national events. One of these changes is the recognition of the divergent social consequences of energy: the fact that it epitomizes the opposite forces of economic and industrial growth and expansion—literally, the prosperity or affluence—of the Nation, and on the other hand, the forces producing pollution and other environmental impacts that impair man's surroundings. The other change, with which the first is intimately linked, is the development of a sense of dissatisfaction with science and technology and a call for a re-statement of the grand purposes of the American political system in other than technological terms.

The goals of the American system, as set forth in the Preamble to the Constitution, are based on the writings of political theorists of the period 1650–1750. Two different sets of aspirations were combined in this statement. Historically, the Nation has oscillated between the two sets of goals. However, there is apparent conflict between ends and means in each of the two sets of goals, with the consequence that the outcome in each case was almost precisely opposite from what was intended. One goal was tranquillity; the other, individual liberty. The means chosen toward these two goals have produced neither result, but instead a condition that threatens to depart further and further from either.

The study records how the goals of the Nation were incorporated in the Preamble to the Constitution. It describes the unfolding of the two dominant programs in competition to define the American life style after 1787. It traces the succession of goals during the five decades from the close of World War I to the present day. It recapitulates the present conditions of the American society resulting from this historical interaction of social values. It examines the range of contemporary attitudes of hostility toward technological innovation. Finally, it offers some alternatives and describes some issues that confront political decisionmakers concerned with future directions to be taken by the United States.

II. HISTORICAL EVOLUTION OF THE GOALS OF THE UNITED STATES

The pragmatic nature of the proceedings and exchanges recorded as occurring in the Constitutional Convention in the summer of 1787 suggests that the founders of the American Republic were more concerned with means than with ends. Thomas Jefferson, the principal political philosopher of the American Revolution and author of the Declaration of Independence, was representing the American states in Paris at the time and did not participate. The mandate of the convention was to devise a political system that effected an acceptable compromise between the ineffectual Articles of Confederation and the alternative of centralized national government. In the words of George Tichnor Curtis, "the great problem to be solved" in the Convention was—

* * * So to parcel out those portions of original sovereignty, which the people of the states might be willing to withdraw from their state institutions, as to constitute an efficient federal republic, which yet would not control and absorb the state powers that might be reserved.¹

TRADITIONAL POLITICAL GOALS OF REVOLUTIONARY AMERICA

It is not evident that any coherent political theory was prevalent at any time in Colonial America. Individual colonies had been established for various different purposes—religious protest, economic opportunity, even release from penal servitude. For a century or more, the colonies enjoyed only partial freedom of political action under the general, if usually lax, sovereignty of the Crown. In the early years of the Revolutionary War, the general mood was one of protest against acknowledged authority. Formation of the Continental Congress reflected a willingness among the Colonies to cooperate, but not to unite in any broader goal than defense against the assertion of a resented British sovereignty. Later, the Articles of Confederation represented an attempt among nominally sovereign states to conduct a unified defense and foreign policy. The goals of the Confederation were essentially negative: To win the war, to liquidate the costs of the Revolution, effect a peace treaty, and cooperate in relation to foreign states.² The loose Confederation established by the Articles

¹ George Tichnor Curtis, "Constitutional History of the United States from the Declaration of Independence to the Close of the Civil War". (New York, Harper and Brothers, 1889), Vol. I, page 256.

² A circular letter from Congress to the States, Nov. 17, 1777, described the purpose of the Articles as being "to maintain and defend our common liberties" and later on, the securing of "safety, happiness, and glory." Finally, it declared: "More than any other consideration, [the Articles] will confound our foreign enemies, defeat the flagitious practices of the disaffected, strengthen and confirm our friends, support our public credit, restore the value of our money, enable us to maintain our fleets and armies, and add weight and respect to our counsels at home and to our treaties abroad." (Text of the letter appears in Curtis, op. cit., pages 699-700.) In ratifying the Articles, New Jersey gave as the purposes, welfare, happiness, and general good; Delaware, peace and safety; and Maryland bluntly declared its approval was to support the war for independence. The purposes formally stated in the Articles of Confederation (Article 3) were as follows:

* * * A firm league of friendship [among the states] for their common defence, the security of their liberties, and their mutual and general welfare; binding themselves to assist each other against all force offered to or attacks made upon them on account of religion, sovereignty, trade, or any other pretence whatever.

collapsed after the war under the awkward dilemma that it could commit national expenditures but could not command national revenues. It was a consortium of States, not of people.

The principal statement of national goals during this period is found in the Declaration of Independence. It reflects a century and a quarter of earlier British political theory. Thomas Hobbes in his *Leviathan* (1651), had asserted the inherent right of all men to defend their lives against a hostile monarch. John Locke, in his *Second Treatise of Government* (1690), enlarged on this theme, contending that the goal of all government was to secure to its subjects the inherent right to life, liberty, and property. In the Declaration of Independence, Jefferson introduced the alternative concept of "pursuit of happiness" instead of property, on the apparent grounds that man was a dynamic and rational being who ought to be free to define and seek his own individual objectives. The text read:

* * * They are endowed by their Creator with certain inalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness—That to secure these Rights, Governments are instituted among Men * * *.

These, then, were the formal purposes of the Confederation that declared its separation from the British Empire.

Much happened in the 11 years between 1776 and 1787. The colonies had been turned into sovereign States within a general framework which the Articles of Confederation (Article 1) styled "The United States of America." Oppression by the Crown had been replaced by self-oppression. Unwilling to accept Balkanization, the Americans were unready for the great step of a national government. "The formation of the state governments, and the consequent growth and importance of state interests, which came into existence with the Confederation, and the fact that the Confederation was itself an actual diminution of the previous powers of the Union, may be considered," said Curtis, "the chief causes of the decline of a national spirit."

As a consequence and proof of the decline of national power, it is worthy of observation that, at the close of the year 1783, Congress had practically dwindled to a feeble junta of about twenty persons, exercising the various powers of the government, but without the dignity and safety of a local habitation. Migrating from city to city and from state to state, unable to agree upon a seat of government, from jealousy and sectional policy; now assembling in the capitol of a state, and now in the halls of a college; at all times dependent upon the protection and even the countenance of local authorities, and without the presence of any of the great and powerful minds who led the earlier counsels of the country, this body presented a not inadequate type of the decaying powers of the Union.³

The rebellion of Daniel Shays in Western Massachusetts, late in 1786, served to dramatize the need for a stronger national government. As Curtis puts it: "It was manifest that to achieve the independence of a country is but half of the great undertaking of liberty; that, after freedom, there must come security, order, the wise disposal of power, and great institutions, on which society may repose in safety."⁴ Proposals for reform had been found infeasible within the constraints of the Articles of Confederation. Accordingly, calling upon the prestige of Washington, Franklin, Hamilton, Madison, and other of the leaders of the new country, and with the reluctant ap-

³ Curtis, *op. cit.*, Vol. I, page 153.

⁴ *Ibid.*, page 181.

proval of the Congress, a constitutional convention was convened in Philadelphia in May, 1787.

ESTABLISHMENT OF U.S. GOALS BY THE CONSTITUTIONAL CONVENTION

The goals of the United States of America were set forth in the Preamble to the Constitution that emerged from the Convention of 1787. As adopted by the Convention, September 17, the Constitution began with the following words:

We the People of the United States, in order to form a more perfect Union, establish Justice, insure domestic Tranquillity, provide for the common defence, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this CONSTITUTION for the United States of America.

The Preamble occupied virtually none of the attention of the delegates. Concerned as they were with means rather than ends, they devoted their debates to substantive issues of organization, the control and allocation of political power, and relations within the system of power.

Discussion of the broad outlines of the Constitution continued until July 26, at which time a series of resolutions was turned over to a Committee on Detail. The Convention then adjourned for ten days to allow time for the committee to prepare a draft.⁵ The text of the Preamble, as reported by the Committee, August 6, read as follows:

We the people of the States of New Hampshire, Massachusetts, Rhode Island and Providence Plantations, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, North Carolina, South Carolina, and Georgia, do ordain, declare, and establish the following Constitution for the government of ourselves and our posterity.

The following day, according to the Journal, "The preamble of the Report was agreed to, *nem. con.*"

No further discussion of the Preamble or of national goals is recorded. However, on Saturday, September 8, according to the Journal, "A committee was then appointed by ballot, to revise the style of, and arrange, the articles which have been agreed to by the House." It would consist of Messrs. Johnson, Hamilton, Gouverneur Morris, Madison, and King. Apparently, it was Morris, whose literary style was much admired by his contemporaries, who was the principal if not the only author of the Preamble in the form in which it was finally adopted by the convention.

While it is easy to conclude that the national goals set forth in the Preamble represent one man's view, and that they were eased into law without much consideration—in the excitement of the closing session—the fact remains that after Morris wrote the Preamble it was surely screened by the other members of the Committee on Style, and then agreed to by the membership of the Convention at large. The Committee of Style and Arrangements delivered its printed report to the Convention September 12, in which the Preamble appeared in form identical with that approved by the Convention five days later. Even up to the last day, the membership was amenable to change.⁶

⁵ The Committee was agreed to by the Convention Monday, July 23. It was to consist of five members. Members named to the Committee were Messrs. Rutledge, Randolph, Gorham, Ellsworth, and Wilson.

⁶ At the motion of Mr. Gorham, September 17, the number of Representatives provided in Article I, Section 2 (not more than one for each 40,000 of population) was increased (to not more than one for each 30,000).

Accordingly, it is remarkable that the Preamble, with its statement of national goals, went unchanged. Undoubtedly, the Convention was more concerned with means than with ends. It had had an intellectually exhausting summer. The Preamble itself was couched in such general terms that it did not invite detailed criticism. But with such diverse personalities as Hamilton, Franklin, Randolph, and Wilson, and so many well-read scholars at hand, the easy consensus is surprising. Certainly the pressure for agreement in the face of threatened anarchy as the alternative must have been clear and present.

SIGNIFICANCE OF THE PREAMBLE TO THE CONSTITUTION

The compactness of expression of the weighty thought in the Preamble is no less remarkable. It established at the outset the proposition that sovereignty inhered in the people rather than in the State. Next, it introduced the idea and intent of perfectibility of government forms. Then appeared three sets of dichotomies of great scope and sophistication: Liberty versus tranquillity; defense versus welfare; and present versus future.

The concept of tranquillity, emphasized by Montesquieu (*Spirit of the Laws*, 1748), in association with the requirement of justice carries with it the value of an essentially static and unchanging society, stable and enduring. Although Montesquieu (like John Locke before him) had emphasized the importance of dilution of governmental powers through separation, he stressed the importance of law and justice—backed by a strong executive—in the securing of tranquillity, which he judged to be the primary goal of government. Conversely, Locke had emphasized liberty as the goal of government. Locke's chief instrument for securing liberty was a legislature responsible and responsive to the electorate. Moreover, Montesquieu's tranquillity implied comprehensive law, while Locke's liberty implied "least government".

The Preamble's dichotomy of defense and welfare was derived from the Articles of Confederation, and is repeated in the taxing power assigned to the Congress in Article I, Section 8. Although the issue of defense versus welfare (i.e., the "commonweal") raises knotty questions today, it does not appear to have been recognized as presenting an inherent conflict in 1787. The language at that time merely signified that there was a difference between internal and external dangers and opportunities. The need for defense was absolute, but not oppressive; the need for welfare was relative, but not particularized. It is not evident that the members saw present versus future ("ourselves and our Posterity") as a dichotomy. They were seeking to design a structure of government that would be "more perfect" and more durable. It would, of course, also need to be flexible and adaptive. But they did not appear to take account of the fact that decisions made under the Constitution to promote the general welfare in the present might diminish or reduce options for the general welfare in the future. In this young society, in an expanding economy, on an undeveloped Continent, faced with the immediate threat of anarchy, it would have been easy to overlook this point.

III. MATURATION OF THE EARLY CONSTITUTIONAL GOALS

It is, of course, well known that the dichotomies expressed in the Preamble found approximate expression in the two early schools of political thought that emerged as party systems at the beginning of the Government.¹ One of these, The Hamilton or Federalist tradition, nominally espoused centralized government, with emphasis on law and justice, the sanctity of contract, and development of sturdy military and naval forces, toward the goal of tranquillity. It favored the Executive and Judicial Branches of Government as its chosen instruments of policy. The Jeffersonian or Democratic Republican tradition nominally espoused decentralized government, with emphasis on the goal of a nation of adequately landed, self-reliant yeomen, local institutions, the minimum of military force required for national self-defense, and a popular attitude of self-assertion to resist any threat of oppressive government. It favored the Legislative Branch of Government as its chosen instrument of policy.

EARLY CONCEPTUAL EXPRESSIONS OF THE HAMILTON THESIS

In practice, the Hamiltonians favored industrial development, economic growth, expanded export trade, a substantial army and fleet, and eventual participation in world diplomacy and power as necessary to secure the internal peace and tranquillity of the United States. One expression of this general attitude, by Hamilton himself, appeared as one of the Federalist Papers. It declared, in part:

The prosperity of commerce is now perceived and acknowledged by all enlightened statesmen to be the most useful as well as the most productive source of national wealth, and has accordingly become a primary object of their political cares. By multiplying the means of gratification, by promoting the introduction and circulation of the precious metals, those darling objects of human avarice and enterprise, it serves to vivify and invigorate the channels of industry, and to make them flow with greater activity and copiousness. The assiduous merchant, the laborious husbandman, the active mechanic, and the industrious manufacturer—all orders of men, look forward with eager expectation and growing alacrity to this pleasing reward of their toils. The often-agitated question between agriculture and commerce has, from indubitable experience, received a decision which has silenced the rivalry that once subsisted between them, and has proved to the satisfaction of their friends, that their interests are intimately blended and interwoven. It has been found in various countries that, in proportion as commerce has flourished, land has risen in value. And how could it have happened otherwise? Could that which procures a freer vent for the products of the earth, which furnishes new incitements to the cultivation of land, which is the most powerful instrument in increasing the quantity of money in a state—could that, in fine, which is the faithful handmaid of labor and industry, in every shape, fail to augment that article, which is the prolific parent of far the greatest part of the objects upon which they are exerted? It is astonishing that

¹ In this study, for purposes of clarification and emphasis, the separate views of Hamilton and Jefferson are oversimplified. Obviously, Jefferson was not oblivious to the uses of manufacturing industry, nor was Hamilton neglectful of agriculture. What is judged important here, however, is that their emphasis on the goals and means which they regarded as preeminent led them in opposite directions.

so simple a truth should ever have had an adversary; and it is one, among a multitude of proofs, how apt a spirit of ill-informed jealousy, or of too great abstraction and refinement, is to lead men astray from the plainest truths of reason and conviction.²

In his message to Congress on Manufactures, December 5, 1791, Hamilton as Secretary of the Treasury proposed a comprehensive program to stimulate manufacturing industry in the new Nation. In an evident allusion to Jefferson's opposite view that agriculture should predominate, he discussed at some length the virtues of industrial production. Then he enlarged on "the principal circumstances from which it may be inferred that manufacturing establishments not only occasion a positive augmentation of the produce and revenue of the society, but that they contribute essentially to rendering them greater than they could possibly be without such establishment." There were seven of these:

1. The division of labor.
2. An extension of the use of machinery.
3. Additional employment of classes of the community not ordinarily engaged in the business.
4. The promoting of emigration from foreign countries.
5. The furnishing greater scope for the diversity of talents and dispositions, which discriminate men from each other.
6. The affording a more ample and various field for enterprise.
7. The creating, in some instances, a new, and securing, in all, a more certain and steady demand for the surplus produce of the soil.³

Hamilton enlarged on each of these. Then he went on to discuss the economic aspects of the issue. Comparative advantage would be a persuasive principle, were it permitted to operate; but since Europe would not accept the fruits of American agriculture, it was necessary to reduce American dependence on European manufactures. In broader terms—

Not only the wealth but the independence and security of a country appear to be materially connected with the prosperity of manufactures. Every nation, with a view to those great objects, ought to endeavor to possess within itself, all the essentials of national supply. These comprise the means of subsistence, habitation, clothing, and defence.

The possession of these is necessary to the perfection of the body politic; to the safety as well as to the welfare of the society. * * *

The want of a navy, to protect our external commerce. * * * must render it a peculiarly precarious reliance for the supply of essential articles, and must serve to strengthen prodigiously the arguments in favor of manufactures.⁴

It is well appreciated, today, that to a considerable extent, the doctrines of Hamilton as developed in the essay on Manufactures prevailed in the United States during the latter half of the 19th Century. However, it is also recognized that the effect of the policies he advocated was far different from that he sought. The posture of the United States in the 20th Century, as a leading and active participant in the wars, uncertainties of international trade, and economic fluctuations of this period, essentially reflecting the maturation of the Hamiltonian

² "The Federalist, No. 12 (Hamilton)." (New York, The Modern Library, 1937), pages 70-71. See also "No. 9," (pages 47-53), in which Hamilton quotes at length from Montesquieu in support of the proposition that the government envisioned under the Constitution would "guard the internal tranquillity" of this form of State.

³ Alexander Hamilton. "(Essay on) Manufactures." (Communicated to the House of Representatives, December 5, 1791.) In "The Works of Alexander Hamilton." Edited by Henry Cabot Lodge. Vol. IV. (New York, G. P. Putnam's Sons, 1904), page 87.

⁴ *Ibid.*, pages 135-136.

ideal, is a far cry from the early and simplistic goal of a strong central government building toward economic autarky to assure its citizens tranquillity in a regime of justice and law. Even the industry he favored as the primary source of wealth and opportunity for livelihood occupies, in 1971, less than half the gainfully employed workers in the United States.

EARLY CONCEPTUAL EXPRESSIONS OF THE JEFFERSONIAN THESIS

On the other hand, the Jeffersonian goal of an agricultural-based and rural society, under a decentralized government, to assure a regime of liberty, was similarly frustrated. He began with the hypothesis of an educated, agrarian population as the best guarantee of liberty.

Educate and inform the whole mass of the people [he wrote]. Enable them to see that it is their interest to preserve peace and order, and they will preserve them. * * * They are the only sure reliance for the preservation of our liberty. * * * This reliance cannot deceive us, as long as we remain virtuous; and I think we shall be so, as long as agriculture is our principal object, which will be the case, while there remains vacant lands in any part of America. When we get piled upon one another in large cities, as in Europe, we shall become corrupt as in Europe, and go to eating one another as they do there.⁵

Five years earlier, Jefferson had written a short treatise, "Notes on the State of Virginia," in which he incorporated an elaboration of this thesis. (The work was initially drafted in 1781, revised in 1782, published in Paris in 1785, in London in 1787, and in Philadelphia in 1788. Thereafter it was widely republished.) In it, he takes explicit exception to the doctrine advanced later by Hamilton, and asserts the benefits of free trade and comparative advantage, in which the United States would do best as an agricultural Nation:

The political economists of Europe have established it as a principle, that every State should endeavor to manufacture for itself; and this principle, like many others, we transfer to America, without calculating the difference of circumstance which should often produce a difference of result. In Europe the lands are either cultivated, or locked up against the cultivator. Manufacture must therefore be resorted to of necessity not of choice, to support the surplus of their people. But we have an immensity of land courting the industry of the husbandman. Is it best then that all our citizens should be employed in its improvement, or that one-half should be called off from that to exercise manufactures and handicraft arts for the other? Those who labor in the earth are the chosen people of God, if ever He had a chosen people, whose breasts He has made His peculiar deposit for substantial and genuine virtue. It is the focus in which He keeps alive that sacred fire, which otherwise might escape from the face of the earth. Corruption of morals in the mass of cultivators is a phenomenon of which no age nor nation has furnished an example. It is the mark set on those, who, not looking up to heaven, to their own soil and industry, as does the husbandman, for their subsistence, depend for it on casualties and caprice of customers. Dependence begets subservience and venality, suffocates the germ of virtue, and prepares fit tools for the designs of ambition. This, the natural progress and consequence of the arts, has sometimes perhaps been retarded by accidental circumstances; but, generally speaking, the proportion which the aggregate of the other classes of citizens bears in any State to that of its husbandmen, is the proportion of its unsound to its healthy parts, and is a good enough barometer whereby to measure its degree of corruption. While we have land to labor then, let us never wish to see our citizens occupied at a work-bench, or twirling a distaff. Carpenters, masons, smiths, are wanting in

⁵ Thomas Jefferson. "Comments on the Federal Constitution," December 20, 1787. In "The Complete Jefferson," assembled and arranged by Saul K. Padover. (New York, Tudor Publishing Company, 1943.) Page 123.

husbandry; but, for the general operations of manufacture, let our workshops remain in Europe. It is better to carry provisions and materials to workmen there, than bring them to the provisions and materials, and with them their manners and principles. The loss by the transportation of commodities across the Atlantic will be made up in happiness and permanence of government. The mobs of great cities add just so much to the support of pure government, as sores do to the strength of the human body. It is the manners and spirit of a people which preserve a republic in vigor. A degeneracy in these is a canker which soon eats to the heart of its laws and constitution.⁶

As the Jeffersonian tradition prevailed to a considerable degree, from 1800 to 1850, and his concept of scientific agriculture in the hands of an educated agrarian society was the predominant cultural form until 1890, some inferences can be drawn as to the appropriateness of these means toward the expressed goal of liberty. One of its requirements was land for cultivation. This requirement spurred acquisition of the Louisiana Territory. It also led later to expansionism by force or threat of force to acquire lands in the Southwest. (It is notable that in some quarters the war with Mexico and the later war with Spain engendered sentiments not dissimilar to those currently leveled against U.S. involvement in Vietnam.) The Jeffersonian line of thought also favored application of science to farming, which brought U.S. agriculture to a high degree of specialization, mechanization, and high productivity. A small number of large farms, by 1971, produce an abundance of food for a vastly more populous United States.⁷

Modern highly mechanized and specialized "factories in the field" are far different from the Jeffersonian ideal of the self-sufficient farmer on his quarter-section. Moreover, the systematization of agriculture has profoundly affected the farmer's independence. Centralized national government is an indispensable partner of modern agriculture, with respect to such services as farm price supports, credit arrangements, management of farm surpluses, construction of farm-to-market roads, inspection of foods, assurance of safety and potency of pesticides, assistance in obtaining electric power and telephone lines, soil conservation and enrichment, irrigation, market information, weather reports, and development of more productive genetic strains of crops. Concurrently, there has been a progressive movement of the U.S. population from rural to urban areas, with virtually all expansion in population from 1950-1970 occurring in metropolitan areas.

RELATIONSHIP OF TECHNOLOGY TO THE EARLY GOALS OF THE NATION

The application of science and technology was perceived by Jefferson as a means to strengthen the economic capability and independence of the farmer. It was perceived by Hamilton as a means to increase industrial productivity and diversity. However, the most important contributing factor of the rapid technological progress in the United States during the 19th Century was the innovative character of the people themselves, in response to the economic stimulus to invention that came from a rapidly expanding economy in a region of abundant natural resources but wanting in manpower.

⁶ "Notes on the State of Virginia." *In* *Ibid.*, pages 678-679.

⁷ By 1963 the top 3 percent of farms outproduced the bottom 78 percent; and the total number of farms by 1980 is forecast to decline to 1.9 million, compared with 6.8 million in 1935.

The frustrating effect of technology on the Jeffersonian ideal has already been described. The effect on the Hamiltonian ideal is more complex. In a competitive economy, industry tends to obtain materials where costs are lowest; often, this means reliance on foreign sources of supply. The elaborate range of materials required for sophisticated modern industry intensifies this reliance: stainless steel, for example, requires metallurgical chromite from the Soviet Union, Turkey, or Southern Rhodesia. Also required for stainless steel are manganese from Venezuela, nickel from Canada, and sometimes columbium from Nigeria. (None of these materials is commercially produced in the United States in any significant quantity.) A closely regulated industry supported by extensive research in materials substitution and alternatives such as was developed in Germany in both World Wars, might go far toward Hamilton's goal of economic autarky. But there would be costs in lowered productivity, variable quality, and bureaucratic intervention.

The Constitutional Convention itself grew out of the events set in train by George Washington's interest in constructing a canal up the Potomac Valley from salt water into the agricultural hinterland. Development of canals, roads, and harbors as aids to commerce and marketing was an early aim of the Government and Federal jurisdiction was quickly established over navigable waters. From this beginning, Federal programs dealing with water were gradually enlarged in scope to include dredging of channels, flood control works, irrigation, hydroelectric power projects, municipal water supply, recreation, and eventually a complex approach involving multipurpose projects to maximize the economic and social benefits from the application of technology to watercourses.

The power of steam also was exploited eagerly in a geographic region with abundant cordwood and later coal. The steamboat made an early appearance on American rivers, and railroads were built along coastlines and up the river valleys. Federal encouragement of steam technology took the form of research in steam boiler metallurgy, regulation and inspection of boiler safety, grants of public lands to railroads, and postal subsidies to commercial transportation generally. Steam power became important to both industry and agriculture. Steam powered tractors and combines made possible extensive farming on the central plains. Railroads conveyed the product to mills and to ports for shipment to overseas markets. Industry diversified into textiles, iron and steel, farm implements, brick kilns, gas works, glass and pottery, and many of these involved the use of steam power. Here the factor of economy of scale first became influential in shaping the American society. With each increment of size increase, a steam-powered industrial plant lowered unit cost. Plants grew in size, and gathered around them supporting complexes of specialties: brokerage, loom-fixing, tool and pattern making, drafting, molding clay, fuel, and so on.

The input of science made possible first the telegraph, then the telephone, and—toward the close of the 19th century—a great many other electrical and mechanical inventions. The pace of innovation and its impacts on society accelerated exponentially during the years 1800-1900. By 1900, iron ships plied the Atlantic. Communication was instantaneous between the New World and the Old. The sectionalism that had divided North from South was beginning to disappear in the

excitement over shared projects to complete railroad lines to the Far West. By 1900 there were more persons employed in nonfarm than in agricultural occupations.

In 1900, steam power was predominant; electricity, and gasoline power were in their infancy. However, by 1970, internal combustion powered vehicles were the largest consumer of energy in the United States (see Table I) and had been doubling every 20 years. Production of electrical energy by central stations has risen less spectacularly, but even more steadily, continuing after 1920 to double every 10 years. (See Table II).

TABLE I.—*U.S. motor vehicle registration, selected years*¹

Year:	Number
1900	8,000
1910	468,500
1920	9,229,161
1930	26,749,853
1940	32,453,233
1950	49,161,691
1960	73,869,000
1969	104,702,000

¹ SOURCES: Years 1900–1950 from: U.S. Department of Commerce, "Historical Statistics of the United States: Colonial Times to 1957." (Washington, U.S. Government Printing Office, 1960); Years 1960 and 1969 from: U.S. Department of Commerce, "Statistical Abstract of the United States, 1970." (Washington, U.S. Government Printing Office, 1970.) (1969 figure is preliminary.)

TABLE II.—*Electrical energy production in central stations, United States, by selected years*¹

Year:	Millions of kilowatt hours
1902	5,969
1912	24,752
1920	56,559
1930	114,637
1940	179,907
1950	388,674
1960	755,375
1968	1,329,443

¹ SOURCES: Years 1902–1950: "Historical Statistics of the United States," op. cit.; Years 1960 and 1968: "Statistical Abstracts, 1970," op. cit.

Thus, at the beginning of the 20th Century, the uses of technology in agriculture and industry were already well established. New trends were already observable that would be dominant for most of the century. In addition to the automobile and electric power, there were a number of important ones. One was the evolution of the large industrial laboratory, dedicated to the proposition of inventing to order: it aimed at the systematic application of the fruits of basic science to the development of marketable products. Another was the application of the scientific-technological method to the management of people—in the form of what came to be called "scientific management." A third was the concept of applying this same method to the marketing of products through advertising, customer surveys, design of products for customer appeal, and the like. During these years (1900–1920) the management of technology was still largely in private hands. Even World War I saw only minor resort to the uses of science and technology for military purposes.

The close of World War I is today regarded as a dividing point in time between the old world and the new, between an atomized society

of individuals following social patterns without extensive formal political guidance and a relatively organized society with elaborate, corporate, institutional, and governmental protocols. It is also the point at which the accumulated technology of the 19th Century began to impact profoundly on the social culture. Some suggestions have been made, also, that this point in history corresponded roughly with the closing of the American frontier.⁸

One important and lasting effect of World War I was that it instructed the people of the United States in the possibility that there could be a national purpose. The war encouraged the people of the United States to become conscious that they were a nation, capable of a national purpose, and capable also of exerting concerted national effort to achieve it. Leaders of the United States had proposed and pursued goals before. There had been wars before. But it is possible that no single U.S. purpose before World War I had ever enlisted so high a percentage of conscious participants in a cooperative venture toward an agreed purpose.

⁸ Observes Peter Schrag: "A century ago, the open spaces of the West—that is virgin land—were regarded as the nation's social safety valve, an escape from the inevitability of Marxist class conflicts; only a minority benefited, but the promise was sufficient. And when the frontier closed, it was replaced in American mythology by the schools, by the colleges, and, most recently, by research itself. These things came to represent the future * * *." (In "What's Happened to the Brain Business?" *Saturday Review* (August 7, 1971), page 15.)

IV. SUCCESSION OF NATIONAL GOALS IN THE PAST HALF-CENTURY

During the five decades since the close of World War I, there have been five—possibly six—successive national goals that seem to have been dominant for the United States. Of these the first is most difficult to characterize, and the last is still indeterminate. They can be listed about as follows, by time periods:

1. During the years 1920–1929, to restore cultural and economic patterns that had prevailed before 1910. Epitomized by President Harding's campaign slogan of "Back to Normalcy."

2. During the years 1930–1941, to overcome the profound economic depression with its attendant unemployment and loss of material values.

3. During the years 1942–1945, to defeat the Axis in World War II.

4. During the years 1946–1957, to contain communist expansion and stabilize the world political system, coupled with aid to developing countries.

5. During the years 1958–1967, to make appropriate responses to the technological surprise disclosed by the USSR, eventuating in such specifics as global communications satellites, weapons treaties, and Apollo flights.

6. During the years beginning 1968, to attend to the quality of the domestic physical environment vis-a-vis such insults as pollution, wastes, and hazards to health and safety.

These goals mostly tended to be essentially reactive rather than positive and constructive. Whereas the goals in the Preamble are addressed to abstract but positive concepts of political theory, those of the past half-century aimed to alleviate an undesirable condition.

The first of these goals expressed a vain attempt to set back the clock—to return to an earlier period of "least government" accompanied by vigorous and profitable laissez faire economy (with the somewhat inconsistent addition of a high protective tariff). The technological innovations of this decade were almost entirely from private sources, although at the close of the period President Hoover judged it desirable and necessary for the Government to plan and finance the huge multipurpose dam on the Colorado that now bears his name. He also receives credit for his role in recognizing the vast social changes that had been taking place in the Nation. In his announcement, December 19, 1929, of the creation of a Presidential "Research Committee on Social Trends," the President took note of the need for attention to—

* * * Improvement of national health and vitality * * *; the changes in maladjusted * * *; the effect of urban life upon mental and physical health; the institutional development to meet these changes; the problems arising from increased leisure; changes in recreation and the provision for it; the changes in occupations; occupations likely to continue to diminish in importance; those

likely to increase; the changes in family life; in housing; in education; the effect of inventions upon the life of the people; and many others which may indicate trends which are of importance.¹

However, in the main, the political and economic climate of the 1920s was a retreat from the national concerns that had been stimulated by President Theodore Roosevelt's nationalism, the reforms of President Woodrow Wilson's New Era, and the mobilization of the Nation in World War I. Perhaps this period reflected a weariness of the public with the activism of the preceding decade and a wish to let things alone. This condition was reversed in the decade that followed.

NATIONALIZING INFLUENCES OF THE GREAT DEPRESSION

In broad terms, the goal of the period 1930-1940 was to revive the American economy. In more specific terms, it was to reduce unemployment by stimulating demand for industrial and agricultural products. Since the depression was a national phenomenon, it was dealt with in primarily national terms using national resources, planning, leadership, and legislative measures. Since it was economic in nature, the remedies sought were also primarily economic. Little or no recognition was given during the depression to the possible use of scientific research and technological development, under Government auspices, toward the national goal. During the latter part of the period, there was some attention to this subject by the National Resources Committee and the National Resources Planning Board (Research, a National Resource) but no substantive consequences resulted from this inquiry. The planning activities in the executive branch eventually fell into congressional disfavor and funds for their continuance were withheld.

Many legislative enactments resulted from the stresses of the depression—social security, unemployment compensation, collective bargaining, farm security programs, employment assistance, and the like. The period saw substantial expansion in Federal outlays for public works, with emphasis on highways and multipurpose water projects. Most notable of these were the Tennessee Valley Authority, and subsequently the development of water projects on the Columbia, the Missouri, the Colorado, and other major American rivers. To encourage national economic planning and coordination, the close of the period (actually, 1946) saw creation of the Council of Economic Advisers, the Joint Economic Committee, and the formal requirement of a national economic assessment of the condition of the Nation. The purpose of this legislation was to systematize "National Budgets for Full Employment." However, as the depression receded into history, and years of affluence came in sequence with relatively minor unemployment at large, the urgency of dealing with national economic conditions lost some of its salience.

The principal lesson of the great slump was that a national goal had been accepted by the President and the Congress, and that national measures were increasingly employed to achieve it—culminating in a national system, created by legislative enactment of coherent analysis and policy determination, advisory to the President and through the

¹ U.S. President. (Herbert Hoover.) "Announcement, December 19, 1929, of the Creation of the Research Committee on Social Trends." In "The State Papers and Other Public Writings of Herbert Hoover." Collected and edited by William Starr Myers. Vol. I, March 4, 1929 to October 1, 1931. (New York, Doubleday, Doran and Company, Inc., 1934), pages 193-4.

President to the Congress, to prevent a recurrence of this national disaster.

THE WORLD WAR II GOALS OF WIN-THE-WAR AND WIN-THE-PEACE

Although the goal of winning the war became overwhelmingly dominant after December 7, 1941, many Washington offices pursued their studies all through the war on how to defeat the depression that was sure to be resumed—they believed—as soon as war ended.² An observation prevalent at the time was that the economics of war mobilization was significantly similar to the economics of full peacetime employment; some of the lessons of the administration of industrial mobilization for war were regarded as instructive for the maintenance of high-level productivity in a prosperous peacetime economy. These included, of course, as an accompaniment to vast Government spending, an extensive system of Government controls—taxes, wage and price ceilings, profit ceilings, priorities and allocations of limiting resources, production scheduling, conservation orders. Government construction of production facilities, salvage of used items, and strong pressure to maintain “peace” on the labor front.

The extent of national control and Government participation in the economic life of the Nation in World War II was unprecedented. A \$750 million investment was made in a newly created synthetic rubber industry. A \$200 million steel mill was erected in Utah. Hundreds of millions of dollars were invested in new plants to produce aluminum and magnesium. The super-secret atomic project took \$2 billion, much of it for new plants using new industrial processes, at Oak Ridge, Tennessee and Hanford, Washington.

Manifestly, the extensive Government invasion of all economic phases of society—with some 4000 committees of industrialists under the aegis of the War Production Board participating in this self-invasion of economic privacy—had some effect (both for and against) on the general attitude of business and labor groups toward such regulation. On the one hand, there were great pressures for relaxation of controls as quickly as possible when the war ended. On the other hand, by 1948, some economists in Government and outside were proposing application of wartime controls as a permanent feature to achieve full peacetime employment and production. However, the predominant opinion of controls in 1948 was “good riddance.” Enforcing peacetime controls was judged likely to require an unacceptable increase in Federal police power; they were a nuisance; the bureaucracy had assumed oppressive proportions; and the public had so much money to spend (from vigorously encouraged wartime savings) that there was no immediate prospect of a return to depression doldrums.

Mobilization in World War II of the scientific community was a new phenomenon for the United States. In the main, the scientists used their expertise to apply scientific concepts and information to the development of hardware and processes for military purposes—in

² Comments Donald A. Schon, president, Organization for Social and Technical Innovation, Inc. “If we look at federal agencies as a kind of organizational map, for example, each element of which corresponds to some problem, the problems tend constantly to shift out from under the map; indeed it is possible to look at federal agencies as a series of memorials to old problems.” In “Implementing Programs of Social and Technological Change,” *Technology Review*. (February, 1971), page 48.

effect, turning themselves into engineers or technologists for the duration. The atomic bomb, the proximity fuze, radar, and sonar have received most attention, but hundreds of other innovations were found useful during the war years. By 1945, there was a strong sentiment for peacetime continuation of the Government sponsorship of science as a permanent policy. The proposal finally achieved legislative enactment in 1950 in the creation of the National Science Foundation. The significance of this action was that science was judged beneficial to public welfare and contributory to national goals—whatever they might turn out to be. Pursuit of science was not a goal but a broadly utilitarian means.

By early 1944 when the tide of war turned against the Axis Powers, some attention was directed to a change in the national goal in the United States. Instead of "win the war," it was suggested that thought should be given to the need to build a durable, peaceful, postwar world. Apparently, there was at the time controversy among principal Government officials between those who objected to any diversion of effort from total prosecution of the war, and those who feared the victory would be a hollow one unless sound policies were formulated to exploit it. This development illustrates the persistence of a simplistic goal in the American society. It also recalls the persuasiveness of the argument that past mistakes ought not be repeated: One such mistake, it was held, was that in World War I, Germany had not been invaded and made to experience the horrors of war at home; another was that the United States had withdrawn from the international arena after the war and had not lent its influence and power to the formation of an effective League of Nations; a third was that the commitment to an international body should be conditional, so as not to challenge American sovereignty in the eyes of the United States Senate. Avoidance of the first "mistake" called for a policy of unconditional surrender; the avoidance of the second, a substantial and continuing U.S. commitment to an international body for peacekeeping purposes; and avoidance of the third required that the commitment be clearly secondary to considerations of national sovereignty.

THE GOAL OF COMMUNIST CONTAINMENT

Elaborate preparations had been made, in the last full year of the war, to expedite an efficient demobilization of the troops and to ease them back into the economic stream. When peace finally came, in August, 1945, this program was executed with remarkable celerity. However, in the negotiations among the victorious allies, from Yalta to Potsdam, the uneasy cooperation that had sustained their war effort began to erode, and a division in goals became evident between the United States and the Soviet Union. Disruptions, apparently communist-inspired, began in Greece and Turkey, and the rift widened. As the area of disagreement enlarged, and Soviet hegemony began extending westward into Europe, the goal of containment of communism became a foremost objective of the United States. The goal was based on a number of assumptions, such as—

That the communist ideology constituted a solid, uniform, internally consistent system of thought that all practicing communists accepted without question;

That communist countries placed communist orthodoxy above nationalistic values and motives, accepting the political as well as the ideological leadership of the USSR;

That the Marxist doctrine of the worldwide collapse of capitalist-imperialist Powers under the onslaughts of popular "wars of national liberation" had been converted from a political theory to a policy mandate, calling for action by the USSR to support and even to foment such insurrections as an overriding and unchanging obligation;

That a durable consensus existed and could not be questioned on these matters, within the Soviet Union or within any other communist country;

That no nation had ever or would ever, by honest plebiscite or even by force unless aided by foreign support, elect to support the communist system; and

That no nation that had once been absorbed into the "Communist Bloc" could reverse the process.

When these assumptions were supplemented, in June, 1950, by the assault from North Korea across the 38th Parallel, the inference drawn was that the Communist Bloc had progressed to a policy of overt conflict in implementing the theory of "wars of national liberation." The U.S. goal of containment was accordingly enlarged to include not only resistance to subversion but also defense against overt aggression. The rapid demobilization of troops and weapons that had taken place in 1946-1947 was reversed. U.S. military personnel had declined from 12 million in 1945 to 3 million in 1946 and to 1.4 million in 1948. By 1951 they had risen back to 3 million, and as late as 1957 they were still close to that level.³ Outlays for national defense showed an even more spectacular trend. At the peak of World War II, they reached \$81 billion, amounting to 82.7 percent of the total U.S. budget. By 1948, they had been reduced to less than \$12 billion, or less than 36 percent of the budget. But by 1958, five years after the Korean War had subsided, they stood at \$44 billion, or 62 percent.

Containment of communism called for maintenance of a garrison army in Europe, deployment of troops on request to Greece, Turkey, Taiwan, Korea, and eventually Southeast Asia. It required a substantial military assistance program to developing countries. It was an important motivation in the U.S. foreign aid program generally. It required deployment of the 6th Fleet to the Mediterranean and the 7th Fleet to Asian waters. At home, it called for a vigorous program to construct new production facilities for possible mobilization purposes. After 1952, it called for accelerated development and deployment of nuclear weapons and delivery systems (aircraft, cruise missiles, ballistic missiles, and eventually longrange ballistic missiles).

Subsequent developments have challenged some of the assumptions on which the containment goal was based. The communist doctrine itself has been shown to invite a wide variety of "revisionist" tendencies. The monolithic nature of the communist world was invalidated by the breach between the USSR and Mainland China. Collapse of the Cuban Government after an easy and apparently unaided revolution brought Castro to power; even more significantly, in Chile the people elected a

³ "Historical Abstract of the United States, op. cit.

communist President. On the other hand, the exercise of force by the USSR against Hungary and Czechoslovakia, and the evidence of independent action by Romania and other Balkan communist states confirm the lesson of Tito's Yugoslavia that nationalism and self-determination are still very much alive within a communist country—that in fact Russian nationalism was as much a factor as ideology in the assertion by force of Soviet hegemony, while Soviet satellites, motivated by their own nationalism, chafed under this hegemony. In some cases only superior force applied from without prevented a revisionist move toward a free economy. Even in the Soviet Union itself there have been tentative experiments with free markets.

Meanwhile, in the United States, markets are becoming increasingly institutionalized with the advent of the computer, credit card, chain supermarket, and public preoccupation with environmental quality.⁴ In short, the whole thesis of an ideologically pure, unchanging, monolithic world communism diametrically distinct and opposed to the United States appeared more and more to be a myth. The Soviet Union, as a great Power, needed to be regarded with prudence and required the United States to negotiate from a position of strength. But the Soviet Union was not the single spokesman for the entire communist world. Even within the Soviet Union itself, the question remained unresolved as to how completely the leadership and the views of the rank and file of the Party, and of the citizenry at large, were dedicated to extending world communism by force. Whether there was in fact a substantial contrary opinion, that could be strengthened by U.S. encouragement and patience, could not be altogether dismissed. In any event, by 1970 the goal of Soviet containment—or communist containment—no longer commanded general respect. President Nixon, in his various statements on foreign policy, did not take this line.

THE GOAL OF MEETING THE TECHNOLOGICAL SURPRISE OF THE USSR

The strategic importance of a great feat of technology having obvious military importance had been taught the Soviets by the U.S. atomic bomb in 1945, and by the fusion bomb in 1952. The Soviet response was to develop a fission capability of their own, by a great effort at a time when Soviet resources were still recovering from an enormously costly war; they achieved this success in the remarkably short period of three years (in September, 1948). When the first U.S. fusion test succeeded, November 1, 1952, it was followed even more quickly by a successful Soviet test, announced by the USSR August 20, 1953.

In 1957, the USSR seized the technological initiative when, October 4, the first man-made earth satellite was launched. It was quickly evident that this Soviet feat signified leadership in both space exploration and ballistic missile technology. The Soviet Union proceeded to

⁴ As Myron B. Bloy, Jr., a professor of religion at Massachusetts Institute of Technology, has written: "• • • The thaw in the cold war is not, as we might like to think, the result of a mutual upsurge of goodwill, but, rather, of the growing obsolescence of 'capitalism' and 'communism' before the onslaught of a common, functionalist concern to raise the Gross National Product by whatever means computers and sophisticated mathematical techniques indicate." (*In* "The Christian Norm." *In* "Technology and Human Values." An occasional paper on the role of technology in the free society, published by the Center for the Study of Democratic Institutions. (Santa Barbara, California, 1966), page 19.)

exploit vigorously the first area, and by implication the second. The response of the United States was to embark with gathering vigor on a program to regain the leadership in space technology. This was an explicit and foremost national goal, but it was coupled indistinguishably with the goal of maintaining U.S. leadership in the capability to deliver nuclear weapons against enemy targets.

The hypotheses on which the first goal was based were—

That diplomatic influence in world affairs was significantly related to preeminence in important fields of science and technology;

That competence in space technology implied a pyramidal competence in industrial technology of an advanced character, imparting a demonstration of political and cultural superiority to the nation possessing it;

That there were tangible opportunities to be gained by mastery of the many techniques of earth satellites and traverse of outer space—such as communications linkage, weather observation, military inspection, resource surveys, and scientific research;

That booster technology signified powerful military weaponry, useful in maintaining U.S. deterrent capability, and limiting the level of intensity of military conflict of concern to the United States; and

That as a matter of national pride the United States should not be content to be second to any other nation in any field of science or technology, an area of activities in which it was previously assumed that the United States automatically led the world.

With remarkable vigor the United States undertook the difficult and costly steps toward the goal of being first in space. Large appropriations were made available to the National Aeronautics and Space Administration and to the Department of Defense to get programs underway. Many proposed accomplishments, projects, hardware concepts, and technological approaches were laid before the decisionmakers. National studies were conducted by policy groups in NASA, by the newly created science adviser to the President, in the National Space Council, and in the National Academy of Sciences, to establish the priorities of the program.

The social impacts of the space program were enormous. Pressures were brought to bear on young people entering college to major in scientific and engineering fields. Curricula were revised, with great increase in attention to mathematics and the sciences at the elementary and secondary levels. A new organization in the Office of the Director of Defense Research and Engineering, called Advanced Research Projects Agency, was established to invest in advanced projects and support scientific "programs of excellence" old and new. An aerospace industry, based on the long-established aircraft industry and the newer electronics industry, came into being. (One of the oldest of the aircraft companies, Glenn L. Martin, announced the intention, eventually, of dropping out of aircraft manufacture entirely, in order to concentrate on space programs.)

In 1961, in his message to Congress on "Urgent National Needs," May 24, President Kennedy proposed that the goal of regaining the technological lead in space science and technology be focused on the more specific task of "landing a man on the moon and returning him safely to earth." His reasoning was that "No single space project in this period will be more impressive to mankind, or more important for

the long-range exploration, and none will be so difficult or expensive to accomplish.

In retrospect, it seems that this goal had considerable validity. It encompassed much of the technology required for space exploration. It also served as a dramatic event—a demonstrable achievement. As such, it provided a sharp focus for NASA's space program. However, the goal also had certain defects. Its achievement took away some of the impetus toward the broader goal of maintaining technological superiority in an area of science and technology that had earlier been thought important when the United States was perceived to lag behind the Soviet Union. The high technology of the lunar mission needed specialists but precluded general participation; the apex of the accomplishment had only two participants and million of spectators, instead of blood, sweat, and tears for all. The waning of public enthusiasm and support, only to be expected when the specified accomplishment was done, turned loose many specialists whose concentrated preparation for the particular purpose left them unready for alternative employment at a level commensurate with their training. Moreover, the systematic, costly, and arcane methodology required for the lunar exploit was hard to explain to the layman. The TV watcher could see the computers operating and the rows of specialists in front of cathode ray tubes, but could not perceive what was going on. Neither the capabilities nor the limitations of space technology were generally understood. Eventually, the lay attitude, widely expressed, was that "if we can put a man on the moon, why can't we * * * ?" This would be followed by such more materialistic goals as—

- Prevent crime in the streets
- Build attractive cities
- Dispose of trash more efficiently
- Deliver the mail on time
- Prevent poverty
- Clean up lakes and rivers
- Build more durable home appliances
- Reduce auto accidents
- Prevent forest fires
- Cut down traffic jams
- Make safe drugs
- Clear up airport congestion
- Solve unemployment problems
- Cure cancer
- Eliminate smog
- De-ink newsprint
- Produce a Pill free of side effects
- Develop biodegradable plastics
- Predict earthquakes
- Devise nontoxic pesticides
- Moderate hurricanes
- Design fault-free computer billing

⁵ Thus, in a recent interview, Dr. Edward E. David, Jr., the President's Science Adviser, was quoted as saying: "You hear people ask, for example, 'Well, if we can go to the moon, why can't we control pollution and clean up the environment generally and reform our health care system?' " (*In "Nixon's Science Adviser Talks Shop."* *Industry Week*. (June 21, 1971), page 52.)

The frangibility of the goal proposed by President Kennedy was demonstrated, two years later, when it came in conflict with another national goal to which the President had attached importance. This was the promotion of greater security for the United States through progressive rapprochement with the Soviet Union. To this end, the President before the United Nations General Assembly, September 20, 1963, (at a time when the U.S. Senate was winding up its debate on the Limited Nuclear Test Ban Treaty), proposed that the expedition to the moon be a joint U.S.-Soviet venture. Undoubtedly, the achievement of national security called for a high priority among U.S. goals; but the conflict this proposal revealed between the goal of being first in space (with the attendant implication of superiority in military-space technology) and the goal of enlarging cooperative relations between the two Super-States (with the attendant implication of diminished competition between them in space or military hardware) created a practical dilemma. Acceptance of the Kennedy proposal by the USSR would reopen the whole question of accessibility of Soviet technology to American eyes; rejection would leave the competition open but would have shed doubt on its value.

The contribution of space technology to national security is another complicating factor. Even since the development of atomic weaponry, and even more since the development of longrange ballistic missiles, there has been evident an ambivalence over the goal of national security and the contributions to it of the space program. Was the sense of this goal to render the people of the United States less likely to destruction by an adversary? Was it to achieve a capability to impose supreme (or "unacceptable") devastation on an adversary to deter him from attacking the United States? (And, more recently, was it to make more difficult the task of attacking the United States, so as to introduce the deterring element of uncertainty?) There are obvious weaknesses as well as enormous dollar costs in all technologically-based defense goals. Competition between adversaries to produce technology aimed at each other does not seem to promise durable security. Competition to render less reliable each other's weapons seems equally unrewarding. On the other hand, cooperation to develop improved means of demonstrating peaceful intent and absence of war capability has advantage only if accompanied by a growth in mutual confidence, that would facilitate surveillance as well as being reinforced by it. Cooperation in earth satellite development might contribute to this goal—and hence to the national security on both sides, while competition in the penetration of outer space seems more neutral and by being less provocative might also be less likely to be injurious to the national security.

The future viability of the U.S. goal of preeminence in space technology remains an open question. Soviet programs continue unabated while the U.S. effort has been diminishing. Despite the legitimate pride in the Apollo achievements, the people of the United States appear to be displaying a very human and democratic tendency to move on to new enthusiasms, leaving space technologists high and dry, and providing a warning to those who might be willing to invest their careers in some new but equally transient public aspiration. Nor is it evident that steadfastness in the quest of space superiority would better serve the purposes of the public. If the public is not to be permitted to change its collective mind, or if the Government is not to be responsive to

changes in public attitudes, if steadfastness of purpose is to be pursued for its own sake despite the contrary views of the electorate, then democracy will have been replaced by something else.

THE EMERGING NATIONAL GOAL OF ENVIRONMENTAL QUALITY

The emergence of environmental quality as a national concern has been of recent origin. Leo Marx has provided a useful diagnosis of how public anxieties are fed by the modern media of press and electronic communications to convert concern into concert.

Toward the end of the 1960s, there was a sudden upsurge of public interest in [the environment]. The devastation of the environment and the threat of overpopulation became too obvious to be ignored. A sense of anxiety close to panic seized many people, including politicians and leaders of the communications industry. The mass media began to spread the alarm. Television gave prime coverage to a series of relatively minor yet visually sensational ecological disasters. Once again, as in the coverage of the Vietnam War, the close-up power of the medium was demonstrated. The sight of lovely beaches covered with crude oil, hundreds of dead and dying birds trapped in the viscous stuff, had an incalculable effect upon a mass audience. After years of indifference, the press suddenly decided that the jeremiads of naturalists might be important news, and a whole new vocabulary (*environment*, *ecology*, *balance of nature*, *population explosion*, and so on) entered common speech. Meanwhile, the language of reputable scientists was escalating to a pitch of excitement comparable with that of the fervent young radicals.

And also—

By the summer of 1969 it had become evident that the media were preparing to give the ecological crisis the kind of saturation treatment accorded the civil rights movement in the early 1960s and the anti-Vietnam War protest after that.⁶

It may be premature to classify environmental quality as a National Goal, in view of the shortness of the time since the national preoccupation with this issue became central. But the phenomenon of public, political, and Governmental response seems to have been unique in its scope, intensity, and speedy acceptance. Certainly, it is as difficult as any previous general task before the American people. Origins of the movement are numerous:

The physical fact that increasing numbers of people, increasingly congregated in urban areas, increasingly affluent and able to buy increasing quantities of consumer goods involving increasing quantities of wrappings and wastes, are generating increasing quantities of trash that is harder and harder to find places to put.

The technological fact that modern chemistry has created pesticides, drugs, detergents, fertilizers, pigments, toiletries, plastic containers and artifacts, aerosol dispensers, food and fuel additives, and other chemicals that modern biochemistry has challenged as hazardous to man and to the natural ecology.⁷

The economic fact that the air, land, and waters can no longer be used as free garbage cans by industry, municipalities, or house-

⁶ Leo Marx, "American Institutions and Ecological Ideals," *Science*, (Vol. 170, November 27, 1970), page 946.

⁷ A date for the beginning of public concern with the impact of technology on the environment is suggested in an editorial in the *Washington Star*: "If there was a single point at which the vision began to blur, it was with the publication in 1962 of Rachel Carson's 'Silent Spring.' That book, which documents the case against the chlorinated hydrocarbon insecticides in language that is understandable and unforgettable, produced the first general realization that man's technological weapons were, in some cases, making lethal strikes on unintended targets." (*Washington Star* (April 25, 1971), page B-1.)

holders, because they are now so heavily used for this purpose that they are becoming less useful for other important purposes.

The industrial fact that burgeoning U.S. industries require labor, and locate where labor is; so that industrial effluents are discharged where there are the most people to complain about it.

The circumstance that American culture is based on the automobile, which—now exceeding 100,000,000 vehicles in number—insults the human environment in ways too numerous to count.⁸

The political responses of the Congress to the rising tide of criticism over the degrading quality of the environment would be a laborious task to enumerate. Reports, bills, hearings, white papers, legislative requests and enactments, have followed in a crescendo since the public alarm was sounded a decade ago in Rachel Carson's *Silent Spring*. Enough evidence has been gathered to demonstrate that the public concern is well founded, but also that adequate remedies are still far off.

Three main lines of thought appear to be evolving; taken together, they may eventually characterize the goal that is gradually emerging toward an operational coherent, and internally consistent form.⁹ One line of thought suggests that certain environmental pollutants injurious to man in any detectable quantity should be totally removed from the environment. A second approach is that all pollution is relative to human activities that are otherwise beneficial, and that a trade-off should be sought, to maximize the benefits while minimizing pollutants, with emphasis on the particular pollutants that are found most hazardous to man or most injurious to his environment. A third approach recognizes that every technological innovation presents some kinds of adverse secondary effects on the environment and proposes that every innovation be examined in advance of its use to hold these effects to a minimum.

Since the environmental goal has not yet been reduced to a fully comprehensive national statement, but tends to deal separately with pollution, waste disposal, urban problems, and preservation of nature, it is only to be expected that various programs are underway in all of these directions. Moreover, they are further subdivided into air, land, and water; some programs center on one narrow approach like devising technologies for the processing of urban wastes, or reducing auto exhaust effluents, or developing sterile males to reduce pest populations, or retrieving auto hulks and salvaging materials from them. While all of these separate efforts can be recognized as generally contributory to improved environmental quality, a general national goal for the environment and a grand strategy for achieving it are still both in the process of evolution and acceptance. The present state of affairs with respect to this nascent goal is that it resembles the early days of the depression of the 1930's, when a hurly-burly of different programs found bureaucratic homes, all claiming to do something to improve economic conditions. Amelioration of an acute and dangerous

⁸ E. J. Mishan has put the automobile first among environmental degradants. In a recent essay, he asserted: "I once wrote that the invention of the automobile was one of the greatest disasters to have befallen mankind. I have had time since to reflect on this statement and to revise my judgment to the effect that the automobile is *the* greatest disaster to have befallen mankind." (He goes on to elaborate his reasons for this conclusion.) In "On Making the Future Safe for Mankind," *The Public Interest*, (No. 24, Summer 1971), page 41.

⁹ Especially notable is the statement of national environmental policy in the National Environmental Policy Act of 1969, Public Law 91-190, approved January 1, 1970.

condition for some segment of society can be an urgent necessity, but it may not be an essential ingredient of a grand design.

Some forms of pollution abatement are costly. Who should pay these costs—the taxpayer, the polluter, the ultimate beneficiary of the action that causes the pollution, or the custodian of the area being polluted? At present, some of the pollution costs are being borne by all of these; should the costs of prevention be similarly assessed in the present random fashion?

Government control of industrial pollution poses many problems. Industries might be entirely wiped out (and the tax base lowered accordingly at the national and local levels) if their plants and equipment could not accommodate to change. (One in every five iron foundries has reportedly closed down in the past three years for this reason.) Industries might threaten to close down in order to resist the application of orders to cease polluting. Pollution-free technology might not be available in some industries and where would the responsibility lie for investing in its development? Who decides in these knotty cases? What is the grand national strategy for dealing with these questions?¹⁰

If technology is to be assessed and regulated, to what extent is this limitation on freedom of innovation tolerable in a society that prizes such freedoms? What curtailments of freedom on industry and on the individual are implied by this development?

The historic goal of tranquillity appears under attack from opposite directions: From the pollutants that society is visiting on its members; and, from the action-oriented responses of some protesters. While protest has not achieved the dramatic character of a Shays Rebellion, the potential is there. A confrontation of an oil company and the inhabitants of Isla Vista after the oil spill in Santa Barbara Channel might very well have taken a violent turn. Where would the public sympathies lie?

In sum, people are only beginning to discover that environmental quality is an enormous and complex problem probably incapable of total solution. Issues can be studied and researched, but there is beginning to be a deepseated suspicion of the experts. Unless the experts are able to provide their input to the problem, solutions are likely to take such political forms as arbitrary and emotional prohibitions of necessary actions and industrial processes. If the public tires of the pollution issue and abandons the effort, pollution will certainly grow worse. More to the point, if the public becomes frustrated because no apparent result comes from the endeavor, the mood of the country might produce disturbances as alarming in the closing years of the 20th Century as Shays Rebellion was in the closing years of the 18th. In short, the contemporary concern over the environment, more than any other goal of the past half-century, seems likely to be fundamental and enduring. It is also likely to be highly intractable.

¹⁰ On his question, Mishan comments:

"The slogan that 'he who pollutes should pay the cost of his pollution' is not the same thing as effective anti-pollutive legislation, and can indeed act to encourage delaying tactics. It can, for example, be asked what the costs really are, on whom does the damage fall, and which firms or people can be held to be responsible for what part and with what degree of probability. A case is then made for more research into this complex question and we are back in square one. The proposal above can, in principle be made specific. It sets a time limit, say three years, after which a specified range of pollutants will be prohibited *entirely* (above some specified degree) unless the enterprise has a permit, renewed annually, entitling it to some greater degree of pollution. One condition under which such a permit might be given would be the existence of unanimous consent of all affected parties (for example in the case of noise). Another condition might be that the enterprise is employing in approved preventive technology and/or that it reduces its output to a level determined by reference to standard economic criteria. Any infringement of the law would bring on action by the public prosecutor." (*In* Mishan, *ibid*, page 48n.)

V. THE INTERACTION OF SCIENCE AND TECHNOLOGY WITH NATIONAL GOALS

Intertwined with the subject of national goals at every point since the beginning of the Republic is the fact of technology. "Ours," says Robert K. Merton, "is a progressively technical civilization." And he adds: "It is a civilization committed to the quest for continually improved means to carelessly examined ends."¹ The imperfections of the American technical culture and even the culture itself are beginning to come under attack. It is worthwhile to examine the basis for this new trend, and the anatomy of its manifestations.

EMERGENCE OF AN ANTI-SCIENCE PHILOSOPHY

The impact of technology on the aspirations of Jefferson and Hamilton has been described earlier in this study. It was also noted that the role of technology in World War II was decisive. In implementing the goal of containing communism, technology occupied a central place: Development of super-weaponry, devising counterinsurgency systems, and extending technical assistance in the foreign aid program. Technology became the goal itself after 1957 in the space program. Then, when the Nation became concerned over quality of the environment, it discovered that the impairments of quality were attributable in great part to the very technological innovations that had been so eagerly embraced in past years. It is no accident that much recent legislation to improve the environment deals explicitly or indirectly with the regulation of technology, and less with the exploitation of new technology.

The challenge to technology—and to the basic sciences that expand its reach—may go deeper. In its broadest sense, technology implies "behavior that is deliberate and rationalized" (Merton's phrase). In the scientific method, the definition of effects, and the search for cause—or with the priorities assigned to its uses—has turned into a generalized opposition to technology itself. It may be paraphrased in such terms as these:

When we turned our national problems over to the experts the results were disastrous. The think-tanks failed us in Vietnam. The oil companies goofed at Santa Barbara. Urban renewal programs messed up the central cities. Everywhere we look we see how rational planning by the experts went sour. So let's have some irrational planning for a change.

In its extreme form the challenge to technology implies throwing out the scientific method, the definition of effects, and the search for cause the proposal of goals and selection of means through the processes of rational analysis. In a less comprehensive form, according to Schrag, the revolt against science and technology comes from a "general disenchantment with that version of the future which was so widely promoted a decade ago." In short, he says, "Americans entrusted the future

¹ In the Foreword to: Jacques Ellul, "The Technological Society." Translated from the French by John Wilkinson. (New York, Knopf, 1964), page vi.

to experts, lost faith in their investment, and are now beginning to try to put the experts in their place."²

It is noteworthy that the discussion of national goals by a Commission formed by President Eisenhower (to be discussed later on) regarded technology as a hopeful means of enlarging the capacity of the individual and achieving national goals at home and abroad, whereas President Nixon's Goal's Staff was more concerned with the ills resulting from past technology.

In short, the modern attitude toward technological innovation is increasingly one of challenge. The challenge ranges from a demand that society purify new technology before accepting it, to a demand that innovation itself—and the application of rational analysis to social problems—be abandoned. In the words of Carl Kaysen:

* * * The general public is ceasing to view science as a widow's cruise of endless practical benefits, and is increasingly concerned with the negative implications of new scientific and technological possibilities. The man in the white lab coat is more and more seen as Frankenstein rather than Prometheus. This general attitude is reinforced by the romantic irrationalism of the New Left youth culture, which emphasizes the values of feeling above those of knowing, and views science as one more form of organized effort through which elites manipulate and subordinate masses.³

There is a widely held view that technology is generally altering man's environment—and himself—in ways that diminish man's freedom. This kind of analysis, perhaps best illustrated by Jacques Ellul, concludes that technology has freed man from ancient oppressions but that "victory has been gained at the price of an even greater subjection to the forces of the artificial necessity of the technological society which has come to dominate our lives."

In our cities [Ellul writes] there is no more day or night or heat or cold. But there is overpopulation, thralldom to press and television, total absence of purpose. All men are constrained by means external to them to ends equally external. The further technical mechanism develops which allows us to escape natural necessity, the more we are subjected to artificial technical necessities.⁴

Technology not only can provide the ultimate alternative to liberty but can answer so completely the goal of happiness that nothing further need be done. We are searching in vain, says Ellul, for a goal, a "new end for human society in the technical age." Yet—

The further we advance, the more the purpose of our techniques fades out of sight. Even things which not long ago seemed to be immediate objectives—rising living standards, hygiene, comfort—no longer seem to have that character * * *. * * * To wield power well entails a certain faculty of criticism, discrimination, judgment, and option. It is impossible to have confidence in men who apparently lack these faculties. Yet it is apparently our fate to be facing a "golden age" in the power of sorcerers who are totally blind to the meaning of the human adventure. [And at the close of his analysis, he observes wryly] One of our best-known specialists in diseases of the nervous system writes: "We will be able to modify man's emotions, desires, and thoughts, as we have already done in a rudimentary way with tranquilizers." It will be possible, says our specialist, to produce a conviction or an impression of happiness without any real basis for it. Our man of the golden age, therefore, will be capable of "happiness" amid the worst privations. Why, then, promise us extraordinary comforts, hygiene, knowledge, and nourishment if, by simply manipulating our nervous systems, we can be happy without them?⁵

² Peter Schrag, "What's Happened to the Brain Business?", *Saturday Review*, (August 7, 1971), page 39.

³ "Government and Scientific Research—Some Unanswered Questions." *The Public Interest*, (No. 24, Summer, 1971), page 83.

⁴ Jacques Ellul, "The Technological Society," *op. cit.*, pages 428-9.

⁵ *Ibid.*, pages 430, 435-436.

Mishan bluntly declares that " * * * The growth of scientific knowledge over the last four centuries, channeled into a thousand specializations, and translated into technology by market forces or state power, has become subversive of civilized living."

The pace of technological advance [he says earlier] is the primary fact and is itself responsible for the other two crises: an ecological crisis currently dramatized by the phrase 'the population explosion,' but whose chief visible manifestation is the spread of industrial pollutants over land, sea, and air; and, arising largely from the mounting frustrations of urban life, a social crisis, a seemingly chronic restlessness and discontent marked by such familiar symptoms as the growth of drug addiction, of wantonness, obscenity, and incipient violence. Add to these sources of apprehension the emerging vision of an automated, computerized, highly programmed, and centrally controlled society on the one hand, and, on the other, the existing balance of terror between the great powers, each searching relentlessly for new weapons of yet more incredible destructiveness, and it becomes evident that the phrase 'living on the brink of annihilation' is today no idle hyperbole. The crisis, or the conjuncture of crises, is all too real, all too fearful, and quite unprecedented.⁸

If technology can provide man with a pill that makes him think himself tranquil and happy, what is all the shouting about? The obverse of this question is John Stuart Mill's observation that "If the reformers of society and government would succeed in their objects, and every person in the community were free and in a state of physical comfort, the pleasures of life, being no longer kept up by struggle and privation, would cease to be pleasures." In short, as these critics see the matter, technology is perfectly capable of providing tranquillity and happiness, if society surrenders liberty, and liberty is probably done for in any case. This theme of lost liberty is also touched on by Rene Dubos:

The public mood [he writes] is now changing, as evidence accumulates that technology is forging new shackles for man from which he seems unable to escape. Nuclear weapons threaten to destroy all living things; industry and transport are polluting the world with waste products, visual insults, and deafening noises; mass media are conditioning and cheapening mental and emotional responses; and microelectronics are invading all aspects of life and making privacy almost impossible. The prodigious achievements of modern technology seem to be paving the way for a new kind of totalitarianism.⁷

Twentieth century innovation shows a persistent dualism. Thus, Gerald Sykes begins his essay: "Man rushes first to be saved *by* technology, and then to be saved *from* it."⁸ Theodore Roczak refers to the "familiar cliché that technology [is] a neutral force that can be wielded for man's well-being as well as for his harm."⁹ Bertrand de Jouvenel observes:

There would seem to be room for more thought about what we can make of our lives as a result of [technological] development of our productive capacities. It is far from certain that the progress made in the average citizen's life is commensurate with the progress in our means of action. We can get more things done. But should we not use more discrimination in *what* is to be done?¹⁰

⁸ Mishan, "On Making the Future Safe for Mankind," op. cit., pages 37, 33-34.

⁷ Rene Dubos, "Reason Awake: Science for Man." (New York, Columbia University Press, 1970), page 54.

⁸ "A New Salvation, A New Supernatural." In "Technology and Human Values," op. cit. page 6.

⁹ "Forbidden Games." In *Ibid.*, page 25.

¹⁰ "Some Musings." In *Ibid.*, page 38.

PROPOSALS FOR CONTROLLING TECHNOLOGICAL EFFECTS

After such a review of the philosophical forebodings about the consequences of modern technology, the proposals for controlling it seem mild by comparison. Of these, one of the most radical is that of W. H. Ferry, of the staff of the Center for the Study of Democratic Institutions. He proposed a two-year moratorium on all technological research and innovation except that aimed directly at reducing "present dangers to the general welfare." A more moderate view was that of Barry Commoner, who suggested that there were two alternative possible views as to the hazards imposed on the environment by technology: Either the deterioration was the "consequence of relatively minor faults in our technology—the lack of scrubbers on smoke stacks, insufficient treatment of sewage, and the absence of proper fume traps on automobiles" or it was due to major faults, such that "the future productivity and quality of life that the Nation can hope to enjoy requires that these major faults be corrected." If the former was the case, then present programs, properly funded, would correct the situation. If the latter (which he personally believed), a much more determined effort would be required.¹¹

In an attempt to redress this situation, the National Science Foundation has established a new program of "Research Applied to National Needs." Basic and applied research grants have been made available for studies in such fields as electric power generation, petrochemical pollution, methodology of technology assessment, social indicators, and other general questions involving the impact of science on society. Meanwhile, the Departments have been encouraged to concentrate their research sponsorship in areas clearly identifiable with their missions. A general tendency appears to be prevalent to reverse the previous trend toward annual increases in the level of national scientific effort. This trend may be in conformity with a general public disenchantment with science and technology, a point of view that has been widely commented on in contemporary literature. On the other hand, the legally enforceable requirement that agencies of the Government review and report on the environmental consequences of their programs before embarking on them is at least a start in the direction suggested by the more moderate critics of present-day technology.

Lewis M. Branscomb, Director of the National Bureau of Standards, has attempted a diagnosis as to why so many people are, as he puts it, "up tight" about technology. He identifies six "sources of frustration" which may be summarized as follows:

1. Technology is producing change too fast and without adequate opportunity to debate its effects and trade-offs.
2. The public is not prepared for technology's failures or prices, although it is increasingly evident that massive applications of technology—increasingly resorted to for public purposes—will not be effective in the absence of effective social institutions and popular commitment to well-defined goals.
3. Man has insufficient opportunity to participate in commercial decisions on technological applications.

¹¹ As quoted in Harold P. Green, "The Adversary: Process in Technology Assessment," Appendix N, *In* U.S. Congress, House, Committee on Science and Astronautics, "Technology Assessment," Hearings before the Subcommittee on Science, Research and Development of the . . . 91st Congress, 1st session, November and December 1969. (Washington, U.S. Government Printing Office, 1970), page 367.

4. Secondary costs are inherent in technological applications, and economic (market) forces do not work satisfactorily to allocate these costs.

5. Legal redress is an awkward instrument when numerous parties are involved in disputes; society finds it hard to sue.

6. "The individual is frustrated by a world where the things he buys are too complicated for him to fix, where he doesn't know what performance he has a right to expect from his purchase, and it costs too much to have a repairman fix it. He has seen only once the man he bought it from and has never seen the man who made it. Moreover, the man who is supposed to service and repair the article has rarely met the men who designed and made it."¹²

Dr. Branscomb's proposed solution is for more active involvement of scientists and engineers in those "arenas where the decisions on uses of technology are really made." An alternative view is presented by Professor James D. Carroll of Ohio State University, who calls for more extensive participation of the public "in existing or new public processes by which technology is or can be developed, controlled, and implemented."¹³

Still another proposal is offered by Dr. Edward Wenk, Jr., professor of engineering and public affairs, University of Washington. He advocates that "Society should be the keeper of its technology." This obligation, he judges, requires explicit social management, institutions designed for the purpose, and a definite policy of action to control the future effects of existing and new technology.¹⁴

A comprehensive recapitulation of public opinion toward science and technology, and recommended responses for public policy, appeared in a long editorial in the Washington Sunday Star, April 25, 1971. After reciting the promise of technology and the disillusionment of the public with its defects, the editorial observes that the remedy proposed has been "to reorder our priorities." What, the article asks, is the meaning of this phrase? Then it proposed an answer in the following words:

It means a great deal more than society or its leaders have, so far, demonstrated a willingness to accept. It means a basic realignment of established economic, social, and political values, so that considerations of environmental impact take unquestioned precedence over the profit motive and industrial freedom of action. It means an end of unquestioning faith in the benevolence of technological development, and an insistence that the total effect of each new step is fully understood and weighed before that step is taken. It means a new role for research, in which the primary goal must be the development of new techniques to excise the environmental malignancy created by decades of impetuous technology.

It means, in sum, a new definition of progress. There must be a general agreement that faster airplanes, bigger automobiles, and more creature comforts can no longer be equated with novelty. It must instead be understood to mean the painstaking correction of yesterday's mistakes, the repair of our faltering machines, the orderly withdrawal of civilization from the brink of disaster.¹⁵

On the other hand, the scientists and technologists are quick to point out that the kind of "progress" envisioned in this editorial cannot be brought to fruition without a substantial technological input. Willard F. Rockwell, Jr., chief executive of North American Rockwell Corporation expresses a widely held view when he says:

¹² "Taming Technology." *Science*, (Vol. 171, March 12, 1971), page 973.

¹³ "Participatory Technology." *Science*, (Vol. 171, February 19, 1971), page 653.

¹⁴ *The Social Management of Technology*, occasional paper, 1971.

¹⁵ Washington Star, (April 25, 1971), op. cit.

There is no way to eliminate air and water pollution without technology. We look to technology to make an artificial heart, safer automobiles and clean fuels, better housing, safe pesticides, advanced drugs and chemicals, nuclear power, a cure for cancer, and control of the weather.

Transportation, communication, education, medicine, all our human pursuits, depend increasingly upon technological advances. All are essential to a better life, and all of them are within our reach if we do not slacken the technological strides that have taken us to the moon.

We must stop this flight from technology. What Americans want is more and better technology which will help meet the real and urgent needs and problems of the day.¹⁶

¹⁶ "Science under Siege." Ordinance. (July-August 1971), page 61

VI. THE PUBLIC CONDITION IN 1971—PUBLIC NEEDS AND EXPECTATIONS

In the opening sentence of his memorable "House Divided" speech at Springfield, Illinois, June 16, 1858, Abraham Lincoln epitomized the process of human planning and goal-setting. He observed: "If we could first know *where* we are, and *whither* we are tending, we could then better judge *what* to do and *how* to do it."

As the sense of dissatisfaction with things as they are deepens—in the ghettos, on college campuses, and amongst public administrators—various diagnostic studies have received considerable public attention. Such books as *The Age of Aquarius*,¹ *The Greening of America*,² and *Future Shock*³ undertake to identify the root causes of present dissatisfactions and to prescribe remedies. Without elaborating the findings of such studies, a few observations can be offered. In general, they question traditional American values of growth, demand that technology be "tamed," and appeal to society to attend more to the non-quantifiable values of human relationships: Tranquillity of the spirit, esthetics, and harmony with nature. It is not easy to respond to these prescriptions through legislative enactments. According to John Locke's theory of the competence of a legislature to respond to social change, the Acts of Congress will always be relevant to the needs of society for adaptation to altered environment. But what are the conditions of society that are most relevant to the legislative function?

SOME SELECTED FACTORS IN THE PRESENT CONDITION OF AMERICA

The conditions of American society in 1971 can be discussed from a number of different points of view—how the people are distributed, their voting behavior, the economy, human relations and responses, and esthetic values. Important changes have taken place in recent years in all of these factors. A review of these changes, by categories, may be useful to shed light on recent efforts to redefine national goals, discussed in the chapter that follows.

DEMOGRAPHIC FACTORS

The alternation of depression, war, readjustment, war, readjustment, and war again, have had significant effects on the demography of the United States. Couples becoming of child-producing age during the depression deferred having families until the early days of World War II. The war and immediate postwar years saw a sharp increase in births in the years 1940–1950. Children born during these years be-

¹ William Braden, "The Age of Aquarius: Technology and the Cultural Revolution." (Chicago, Quadrangle Books, 1970), 306 pages.

² Alvin Toffler, "Future Shock." (New York, Random House, 1970), 505 pages.

³ Charles A. Reich, "The Greening of America: How the Youth Revolution Is Trying To Make America Livable." (New York, Random House, 1970), 399 pages.

came of child-bearing age in the years 1960-1970. Accordingly, in 1971 a heavy component of the total population is below age 30, while the low birth-rate for years 1930-1940 leaves a comparative gap in the population of ages 31 through 40-odd. Statistically speaking, the young people of today have a genuine generation gap separating them from the rest of the population. Some of the asserted instability of modern America may be attributable to this lack of demographic continuity.

Another factor may be the sheer population increase itself. Manifestly, the larger the population to be governed, the more complex the governance. As population density increases, the extent of detailed regulation of relations of persons with each other is increased, the dockets of municipal courts grow longer, government administrators become more numerous, tensions are heightened, and crime, riots, narcotic addiction, alcoholism, and alienation develop into serious public problems.

A third factor is the distribution of the population. Virtually all of the increases registered in the censuses of 1960 and 1970 occurred in metropolitan areas; most rural areas remained stable or recorded an actual decrease in numbers. It is at least plausible, as Jefferson suggested, that rural populations tend to be more stable politically and socially than are urban populations.

POLITICAL FACTORS

Two significant recent developments in the American political scene are: (1) the fact of reapportionment to give higher proportions of representation in State and National Governments to urban populations, and (2) the higher geographic mobility of the more highly trained and upper-level executive personnel in large corporations who might—if they stayed put—be expected to provide local community leadership. Another factor is the demographic gap dividing political leadership from the majority of those of voting age. Want of political maturity in the majority deprives the group of the self-corrective faculty that historically distinguishes a democratically-organized society. It makes for impulsive political protest yielding little result and producing a sense of ineffectuality and frustration; it leads to concentration on more effective protest techniques rather than to attention to more persuasive and effective solutions to social defects. (Whether lowering the voting age to 18 will improve or worsen this condition remains to be seen.)

While the problems of rural areas continue to be massive, the problems of urban areas are much more complex and numerous. The shift in representation brings these urban problems in ever-greater number to the political decisionmakers.

The multiplying sources of social tension and dissatisfaction in urban areas make more difficult the function of the political decisionmaker. Historically, the Member of Congress serves at the national level to mediate complaints of this sort and to initiate legislative correctives. However, present sources of dissatisfaction are so fundamental, so intractable, so complicated and numerous, that the national political process is overtaxed, overloaded with information, and faced with too many problems needing solutions. Yet these are the areas of the Nation that increasingly represent the dominant political strength of the electorate.

ECONOMIC FACTORS

The sharp and steady rise of agricultural productivity per farm worker since 1860 contributed to general urbanization of the United States. This trend has intensified since 1950. Stabilizing farm prices and output has been increasingly a function of the Federal Government as farmers decreased in number while their productivity increased.

The economic segment of manufacturing industry has followed a similar course to that of agriculture, over a later time cycle, releasing workers for employment other than farm or factory. Relations between workers and management in such industries have become increasingly institutionalized. The corporations themselves have grown in size and tend increasingly to resist organizational change. Their responsiveness to consumer needs and preferences may likewise have deteriorated.⁴ Whether manufacturing industry will follow the same course as agriculture into regulated prices, production, and perhaps also quality, offers an interesting subject for speculation.

The remaining categories of occupation outside the home are services, military service, students, and unemployed. Productivity in the service occupations is difficult to increase by mechanization (except to extent that the computer is making its inroads in money management and credit institutions). Accordingly, wages tend to be low, so that wage-earners withdraw from the activity, or if wages are competitive then prices tend to be so high that customers withdraw. Indispensable services like health, medicine, education, and waste disposal pose increasing problems for the public. Either way, the rising numbers of persons employed in service industries constitute a relatively instable and potentially dissident portion of the population. Students confronted with the diminishing opportunity in agriculture, manufacturing, and services, tend to remain longer in school and express perplexity over the lack of "relevance" of academic training to prepare them for an indeterminate future life's work.

SOCIAL AND CULTURAL FACTORS

The automobile and television have profoundly changed the character of American society and the American family. Instead of participating in sports, theatrical and musical activities, or intellectual discussions, people watch them on cathode ray tubes in their living rooms. The automobile is indispensable to Middle Class America, living in the suburbs, to shop, to commute, to transport children to school or play, for social activities, and for recreation.

It is significant that as the United States has grown more populous there has been a disproportionate increase in the use of public parks and waterways. The sale of water craft in recent years has been spectacular. As to the frantic search of the public for open country one writer calls attention to the crowding of the national parks:

⁴ In early 1970, Mrs. Virginia H. Knauer, special assistant to President Nixon, observed that "The responsiveness of a firm is in direct proportion to the distance on the organizational chart between consumers and the chairman of the board." She explained: "I know from my correspondence that a number of business leaders were unaware of important consumer problems in their companies." ("Consumers Want Service," *Industry Week*, (August 2, 1971), page 34.)

In 1930, the number of visitor-days (one person staying twelve hours) was three million in a population of 122 million; by 1960, it was 79 million, in a population of 179 million; and in 1968, there were 157 million visitor-days in a population of 200 million.⁵

This author quotes a description in *The New York Times* of a Labor Day week-end at Yosemite, as follows: "The constant roar in the background was not a waterfall but traffic. Transistor radios blared forth the latest rock tunes. Parking was at a premium. Dozens of children clambered over the rocks at the base of Yosemite Falls. Campsites, pounded into dust by incessant use, were more crowded than a ghetto. Even in remote areas, campers were seldom out of sight of each other."

In the colleges, course offerings have had to be enlarged to meet the unpredictable needs of society for training in areas widely different from traditional curricula. Nevertheless, dissatisfaction with course offerings continues to grow. Academic leadership itself is divided between those attempting to preserve or restore traditional patterns and those sympathetic with the needs of the students in a changing world. This situation exacerbates conflict within both faculties and student populations and provides sympathetic faculty members as articulate leadership for student protests.

Finally, there still remains the pioneer tradition of consume and discard, of conquering rather than wooing nature, of despoiling and moving on. The depth with which this cultural trait pervades the United States is demonstrated in countless ways—disappearance of wild bird life, auto hulks that litter farm woodlots, trash discarded along the right-of-way, decay of the inner city and move to the suburbs, non-repairability of consumer durable goods, wide resort of communities to trash disposal by landfill, the eager acceptance of throw-away containers, diapers, food packaging, and many more.

The wide variety of cultural trends all interact to raise social tensions, generate uncertainties and anxieties, provoke protests, and stimulate short-lived and generally unsuccessful campaigns of improvement. Urban concentration makes more visible the sources of dissatisfaction as well as concentrating the dissatisfied. The family, historical center of cultural conditioning of the young, tends to be less cohesive and durable in the cities than on farms or in small communities. A related factor is divorce, increasingly more frequent in response to the breakdown of family cohesiveness, relaxation of rigorous insistence on marital commitments, increased urban tensions, and increased social mobility of the present day. Divorce hastens the break between parents and children and—along with more general trends—is increasingly making the peer group influence the main source of child conditioning at all social levels.

BEHAVIORAL FACTORS

Closely related to the social factors are the behavioral trends of modern society. The middle-level official in the large corporation demonstrates this pathology in its most pronounced form. As he rises in the hierarchy, he finds it necessary to move frequently; the change is both geographical and economically upward. As this process continues, there is a general lack of identification with the community,

⁵ Daniel Bell. "The Corporation and Society in the 1970s," *The Public Interest*. (No. 24, Summer 1971), page 8.

the uprooting of the children, repeated cultural shock experienced by whole families, an increase in tensions, and a sense of inability to correct perceived defects. At the same time, of course, the community is deprived of voluntary leadership of such persons in traditional service functions. While this description may be most applicable to the journeyman executive in the large corporation, it is also true to some extent of the family moving from the central city to the suburbs, and then from one suburb to another.

The personal tensions of older members of society have had an acute counterpart in the younger, college-age group. Traditionally, this is a period of exploration, of search for a career. Not uncommonly it involves dropping out of college to work for awhile, a change in one's major, dropping a course or two, even flunking out during some youthful emotional crisis. However, with the threat of military service in an unpopular war hanging over those who depart from orthodoxy, the compulsion generates a deep sense of frustration, and invites other kinds of departure from orthodoxy. There is also an understandable resentment toward the "Establishment," which signifies not only institutions of Government but also banks, public utilities, and large corporations. That the resentment may be irrational does not make it the less real and intense.

The sociological and behavioral effects of urbanization, the flight to the suburbs, family disintegration, and academic conflicts intensify and are also intensified by unresolved ethnic injustices and discrimination.

ESTHETIC FACTORS

Equating the relative importance of esthetic with more tangible physical factors, from the political policy-making point of view, is difficult. In a pragmatic society, dollar values tend to carry more weight than beauty. However, it is to be noted that esthetic values have real validity. For example, it is significant that the unpleasant smell released by smoky diesel-powered vehicles evokes more frequent public complaint than the more unhealthy and persistent effluent from gasoline-powered vehicles.

The esthetic degradation of the American scene has been profound: In terms of air and water pollution, spreading trash heaps, litter along the highways, auto hulks dotting the countryside, utilitarian structures designed with no eye to appearance, mud flats littered with old tires and trash, smelly algae-choked lakes, and communities put together with no feeling for general appearance.

A number of esthetic principles have been ignored in the rapid growth of the American community. For example, variety is desirable but information overload is painful: the clutter of signs on the outskirts of towns and cities—especially those bearing information no longer meaningful—degrade the community and depress the traveler. Long stretches of unvaried scenery may be relieved by billboards, but they would be more gratefully received by the traveler if they added to his knowledge, safety, comfort, or esthetic pleasure. In the cities, variety of architecture tends to be neglected in favor of huge monolithic structures. More and more of the shopping is done in shopping centers in the suburbs, each one like all the others, just as all supermarkets resemble each other with very nearly the same array of prod-

ucts on display. Mechanization is cited as the justification for this sameness—so that the cost of the produce can be reduced. However, it is also notable that in times of inflation, the mechanized society rhythmically raises prices with the same mechanical perfection.

THE SOCIAL AND POLITICAL IMPACTS OF TECHNOLOGY

Technology is perhaps the most important formative agent of American life as well as being a principal ingredient of modern U.S. culture. Technology of farming concentrated the U.S. population in cities and opened trade relations with Europe. The railroad, telegraph, and telephone, and later the automobile, airplane, radio, and television tightened the political, economic, and cultural linkage of the Nation. Unification of the national market and the increasing technological sophistication of industrial products contributed to the size and geographic spread of U.S. corporations. Corporate size, in turn, made economically feasible and worthwhile the development of large corporate laboratories (Bell Telephone, General Electric, General Motors, Dupont, and many others) to invent to order many new products and processes. World War II and the Cold War that followed it resulted in the emergence of a new category of high technology industries to produce sophisticated weapons and other artifacts of aerospace and national security; the survival of this large complex poses acute questions for the future as the salience of the Cold War diminishes.

Technology has made possible the emergence of large industrial complexes for the production of food products; basic materials like steel, aluminum, and petrochemicals; electrical energy; and consumer durables. It has revolutionized family life in the United States by bringing to the household labor-saving machinery, temperature control, world communications, efficient illumination, entertainment, and personal mobility.

Some of the social effects attributable, at least in part, to this same technological sweep have already been alluded to. The sociological changes in the American family have been extensive. The size of the American corporation imposes many kinds of rigidity on the national economy. The heavy investment in existing production capital has tended to freeze basic industrial technology so that conservative accounting practice has caused domestic industry to fall behind foreign industry in modernizing its hardware and designs.

On the other hand, competition among producers of consumer goods has evoked on the American scene an enormous—and to some critics, an oppressive—variety of slightly-differing products, variously priced and packaged and advertised. Customer appeal tends to overshadow such less obvious characteristics as quality, durability, and repairability. In the past, moreover, little design attention has been addressed to the ultimate characteristic of disposability, including salvage.

The economic pressures toward sales and profits in a competitive system are credited with achieving a high degree of flexibility of response to consumer preferences. On the other hand, this achievement has been marred by second-order effects, widely characterized as socially or environmentally injurious. Increased attention has been paid

in recent years to these secondary effects, in a general appeal for a political mechanism to hold them to a minimum.

Although the superficial differences within the U.S. culture among products and institutions are numerous, technology has imposed practical constraints that tend to eliminate significant differences. Cities are all similar in appearance and design. Signboards all over the country are the same. So are service stations, canned foods, automobiles, fresh vegetables, motels, airports, apartment buildings and individual apartments, housing developments, offices, and public architecture. While the system affords a superficial freedom of choice, there appears to be less real freedom of selection before the American consumer than is offered in less affluent countries abroad. Here, perhaps, is an explanation for the great rush of Americans to travel abroad.

With the emergence in recent years of the new goal of environmental quality, considerable attention has been focused on the polluting and waste generating propensities of modern technology. Public attitudes have ranged all the way from a "back to nature" advocacy that technology be halted and reversed, to proposals for vigorous further application of technology to rectify past deficiencies. The ambivalence creates such incongruencies as public opposition to new facilities to generate electric power while advocating electric automobiles using battery power derived ultimately from power generating facilities.

Public exposure to the wide range of technological innovations creates many difficult political problems. What recourse is available to those who are adversely affected by a technology in wide use? Who is responsible for investing in corrective technology? What decision-making and evaluative mechanism is available to find the best trade-off between primary benefits and secondary disadvantages of a given technology? What criteria should justify the complete halting of a technological innovation? And ultimately—what are the goals of society against which all technology can be evaluated? Are there such goals, or must each technological change be judged on its own internal merits, in the short-term context of public aspirations and feelings?

TECHNOLOGY AND THE PREAMBLE TO THE CONSTITUTION

The benefits conferred by technology on society are unquestioned. In general, they have enabled man to control and modify his physical environment as he chooses. They have lengthened his life, improved his health, increased his physical comfort, and fed, clothed, and sheltered him. They have increased his reach through transportation and communications, and increased his productivity through mechanization. However, it is not clear that the goals set forth in the Preamble to the Constitution have been particularly well served by technology.

Much of the criticism expressed in contemporary discussions of technology concerns ways in which man's liberty has been constrained and his tranquillity disturbed by the demands imposed by a mechanized world. The military potency of the United States has been enormously increased but so has that of potential adversaries, so that the goal of defense—of security—is much more remote than in 1787. Man's welfare has been benefited in countless ways by technology, so that modern society has come to depend utterly on it. However, as

innovations multiply, so do their apparent defects. Possessed of all manner of technologies to control his environment, the U.S. citizen is today demanding Government action to restore the quality of his environment from pollution, eutrophication, clutter, oil slick, and trash.

The "general welfare" is also in conflict with defense, as rising outlays for environmental improvement run up against persistently high levels of expenditure for new technologies of warfare. Finally, the problems of the present day can be ignored only by deferring them to the future. The constitutional assumption that both present and future can be served together is challenged by events. The problems of the National Government have multiplied and seem to be further proliferating with each passing year. Many of the problems arise not from failures of technology but from successes. As Kermit Gordon of the Brookings Institute has put it—

[There is a] central paradox of American society in 1969: on the one hand, we are a nation which sees itself as wracked and divided over problems of poverty, riots, race, slums, unemployment, and crime; on the other hand, we are a nation which is clearly enjoying high prosperity, rapid economic growth, and a steady diffusion of affluence at a rate almost unimaginable a decade ago.

The paradox cannot be simply resolved. To some degree, certain of our social ills have been relieved by the effects of prosperity, aided by remedial public programs—to an extent greater than is widely perceived. To some degree, our problems have been aggravated by sustained prosperity; rapid growth implies rapid change, and change always has unsettling and destabilizing consequences. To some degree, our social problems have antecedents which seem to be unaffected, or only mildly affected, by economic forces. And finally, to some degree, we are prone to confuse a growing gap between aspiration and performance, caused by a more rapid rise in the former than in the latter, with a deterioration of performance.

Gordon recognizes that there exists a view that "GNP has turned out to be a 'false god.'" However, he suggests that it is an indispensable component of a national program toward further social progress.⁶

RECAPITULATION OF PRESENT CONDITIONS

The United States is today experiencing the confidence of two sets of large changes in the flow of national events. One is a developing challenge directed at the historical purposes of the American political system: the other is the problem of accommodating to—or directing the course of—technological change in the energy-based culture of the Nation.

The first set of changes involves such domestic elements as demography, economics, and culture within the United States; and such international considerations as the keeping of the peace, and maintenance of durable relations with developing and developed nations having different national aspirations and ideologies. Some of the more important elements of the first set of changes are the following—

DOMESTIC CHANGES

- The emergence of a (mainly youthful) protest against pre-ent organization of society, looking toward still unformed purposes,

⁶ Kermit Gordon, ed. "Agenda for the Nation." (Washington, D.C., The Brookings Institution, 1968.) Pages 4-5.

but critical of present decisionmaking institutions and of their own inability to influence these institutions. Put another way, American leaders and decisionmakers in "the Establishment", mainly aged between the mid-40s and late 50s, bear the scars of the great economic depression while people under 30 bear a different but very real kind of scars—the scars of affluence. Communication between these two groups—on values and goals—is hard to achieve. Further complications are presented by the splintering of the population into segments preoccupied with specific asserted disadvantages, injustices, and discriminations, ascribable to their race, sex, or national origin.

- The increased urban concentration of the growing population of the United States, tending to complicate the problems of local governance and to intensify the adverse effects of technologies of urban industries or in general public use.
- The need for greater responsiveness of the Federal Government, itself proliferating in agencies, functions, and obligations, in relation to the needs coming out of the rising tensions of the expanding urban population.

INTERNATIONAL CHANGES

- The question of the proper exercise of national influence and power, given the military alternatives of catastrophic nuclear war and unpopular limited war.
- The problem of maintaining economic solvency in the face of overseas military obligations, foreign aid commitments, declining efficiency of aging industrial organizations, and growing competition from developed countries.
- New problems arising out of the age-old awkwardness of managing a foreign policy with continuity in a democracy as compounded by the changing demographic and geographic composition of the United States and the changes in public needs that these imply.

TECHNOLOGY CHANGES

Although the second set of changes (i.e., the technological changes) have important international aspects and impacts, their primary effects are domestic. Some of the important circumstances involved are the following.

- Traditional and longstanding national objectives of national economic and industrial growth, full employment, rising standards of material wealth and personal property, derived from mechanized work and household activities based mainly on the use of ever-increasing inputs of energy.
- The accumulating impatience of the public with the environmental consequences of technological innovation, including a recognition that in an increasingly crowded urban society, the space-consuming propensity of modern technology imposes costs on those who do not receive its benefits while those who benefit do not pay all the costs.

- The beginning of an awareness on the part of the public that "environment" is a much broader term than was supposed, and that it encompasses not only land, air, and water, but also food and medicines, architecture, and scenery, the impacts of culture on the senses, and the interactions among persons.

VII. RECENT ATTEMPTS TO CHART NEW GOALS FOR AMERICA

Since 1950, a number of attempts have been made by successive Presidents to enunciate or evoke statements of national goals. Several different procedures have been followed. President Eisenhower adopted the approach of selecting a group of leaders of various national sectors of society to formulate and issue a system of goals. President Kennedy proposed a succession of specific goals when he judged them timely, without attempting to integrate them into a coherent system. President Johnson presented a concept of national goals, synthesized into a plan for the "Great Society" in his State of the Union Message, January 4, 1965. President Nixon assembled a "National Goals Research Staff" within the White House to perform both a one-time public report (to be issued within one year), and continuing studies intended to yield annual reports on national goals thereafter.

PRESIDENT EISENHOWER'S NATIONAL GOALS PROGRAM

Article II, Section 3, of the Constitution provides in part that the President "shall from time to time give to the Congress Information of the State of the Union, and recommend to their Consideration such Measures as he shall judge necessary and expedient * * *." This obligation has been generally interpreted by Presidents as calling for an annual balance-sheet of the general national condition and the delineation of a proposed legislative budget for the Congress. President Eisenhower, in his State of the Union Message, January 9, 1959, combined his own assessment with a declaration of the intention to obtain assistance from public sources in defining the tasks required for national progress, and explaining what must be done to perform them. He said: "We need a National Goal."

The first part of the President's message was concerned with national defense and foreign relations. Then he turned to the "material foundation of our national safety" which he identified as a "strong and expanding economy." Progress was being achieved in many elements of the economy, including health, science and education, water resources, urban renewal, and federal highways. However, said the President, the basic question facing the Nation was "preservation of a way of life." First, he described what a goal should be:

If progress is to be steady [he went on] we must have long term guides extending far ahead, certainly five, possibly even ten years. * * * They must be goals that stand high, and so inspire every citizen to climb always toward mounting levels of moral, intellectual, and material strength. Every advance toward them must stir pride in individual and national achievements.

Then the President announced his intention of convening a committee, comprising "educators and representatives of labor, management, finance, the professions, and every other kind of useful activity." This committee would be concerned, he said, with—

*** Acceleration of our economy's growth and the living standards of our people, their health and education, their better assurance of life and liberty and their greater opportunities.¹

The President's Commission on National Goals, appointed in accordance with this plan, made its report public November 16, 1960.²

The primary thrust of the report was the individual man. Referring to the Declaration of Independence, the report declared that the "paramount goal of the United States was set long ago. It is to guard the rights of the individual, to ensure his development, and to enlarge his opportunity." The goals advanced by the Commission were therefore derivative, intended "to bring to fruition the dreams of the men who laid the foundation of this country."

The summary statement of goals advanced by the Commission was divided roughly into three sections, one addressed to the individual, a second to society at large, and a third to international matters. With respect to the individual, the proposed goals were (paraphrase):

All institutions should enhance the status and freedom of the individual; discriminations should be ended; the democratic process should be perfected in assuring liberty; education should be strengthened; knowledge and innovation, especially in basic research and military technology, should be advanced; centers of economic power should be diffused; and individuals should have maximum freedom in choice of jobs, goods, and services.

With respect to society at large, the proposed goals were (paraphrase):

Supported by increased public investment, the economy should grow at the maximum rate consistent with primary dependence on free enterprise and avoidance of inflation; technological change should be promoted and encouraged as a powerful force for advancing the economy; agriculture should be made responsive to the market and subsistence farmers should be found industrial jobs; slums and urban decay should be rectified, with more regional planning; the needs of a growing population for parks and recreation must be met; medical services must be more abundant, with Federal support; and juvenile delinquency and family breakdown should be studied to learn their causes and to prescribe correctives.

With respect to foreign policy goals, the Commission enumerated the following (paraphrase):

¹ "Public Papers of the President, Dwight D. Eisenhower, 1959." (Washington, U.S. Government Printing Office, 1960), pages 5-11.

² Members of the Commission were:

Henry M. Wriston, Chairman, President, The American Assembly, Columbia University; President, Brown University, 1937-55.

Frank Pace, Jr., Vice Chairman, Chairman of the Board, General Dynamics Corporation; Secretary of the Army; 1950-53.

Erwin D. Canham, Editor-in-Chief, Christian Science Monitor; President, United States Chamber of Commerce, 1959-60.

James B. Conant, Ambassador to the Federal Republic of Germany, 1955-57; President, Harvard University, 1933-53.

Colgate W. Darden, Jr., Governor, Commonwealth of Virginia, 1942-46; Member of Congress, 1933-37, 1939-41; President, University of Virginia, 1947-59.

Crawford H. Greenewalt, President, E. I. du Pont de Nemours & Company.

Alfred M. Gruenther, General, U.S. Army (retired), President, American Red Cross; Supreme Allied Commander in Europe, 1953-56.

Learned Hand, Retired Judge, U.S. Court of Appeals for the Second Circuit. Served until October 1, 1960.

Clark Kerr, President, University of California.

James R. Killian, Jr., Chairman of the Corporation, Massachusetts Institute of Technology; Special Assistant to the President of the United States for Science and Technology, 1957-59.

George Meany, President, AFL-CIO.

Preserve U.S. institutions; cooperate with friendly nations and seek reduction of tensions in relations with others; free trade should be a goal; new nations should be aided, with assistance of other developed nations and multilateral arrangements; more Americans should live and work abroad; expansion of Sino-Soviet nations should be prevented, attack deterred, subversion discouraged, but free choice and self-determination encouraged; Communist China's hostility necessitates strengthened Pacific defenses and ties with Pacific allies; military alliances should be strengthened; control of nuclear weapons and delivery systems, with effective inspection, should be the goal of intensive study; and the United Nations should be preserved and strengthened.³

GOALS PROPOSED IN THE KENNEDY-JOHNSON YEARS

During his campaign for the Presidency, John F. Kennedy frequently advanced as a general goal the exhortation to "Get America Moving Again." This phrase, of course, carried the double implication that the previous years had been a period of slackened growth and that he offered a more dynamic alternative. In essence, he implied, progressive change was called for. In office, the President demonstrated what he meant, by his creation by Executive Order of a Peace Corps, negotiation of the Limited Nuclear Test Ban Treaty of 1963, redirection of national defense budgeting and programing, and numerous other measures that had been under consideration over the years. However, President Kennedy did not attempt to formalize or integrate these into a statement of "National Goals."

On the other hand, President Lyndon Johnson, like President Eisenhower, made use of the annual State of the Union Message to deal with the subject. Unlike Mr. Eisenhower, however, Mr. Johnson did not refer the matter to a Commission but dealt directly with it himself. In his message of January 4, 1965, the President defined the overriding national goals of the "Great Society" as being "peace," "freedom," and "to enrich the life of man." Then he defined these terms as signifying quality rather than quantity, economic stability rather than further explosive growth, and spiritual rather than material advances. He said:

We want to grow and build and create, but we want progress to be the servant and not the master of man.

We do not intend to live—in the midst of abundance—isolated from neighbors and nature, confined by blighted cities and bleak suburbs, stunted by a poverty of learning and an emptiness of leisure.

The great society asks not how much, but how good; not only how to create wealth but how to use it; not only how fast we are going, but where we are headed.

It proposes as the first test for a nation: the quality of its people.

Toward these goals, as he defined them, the President proposed a set of nine items on a "national agenda"; these were:

1. * * * A program in education to insure every American child the fullest development of his mind and skills.
2. * * * A massive attack on crippling and killing diseases.
3. * * * A national effort to make the American city a better and a more stimulating place to live.
4. * * * Increase the beauty of America and end the poisoning of our rivers and the air that we breathe.

³ "Goals for Americans." The Report of the President's Commission on National Goals. (Administered by The American Assembly, Columbia University, A Spectrum Book, Prentice-Hall, Inc., 1960), pages 1-20.

5. * * * Develop regions of our country that are now suffering from distress and depression.
6. * * * Control and prevent crime and delinquency.
7. * * * Eliminate every remaining obstacle to the right and the opportunity to vote.
8. * * * Honor and support the achievements of thought and the creations of art. [And]
9. * * * An all-out campaign against waste and inefficiency.⁴

THE NIXON APPROACH: A PROFESSIONAL, WHITE HOUSE GOALS STAFF

Stimulated by the approaching 200th anniversary of the Declaration of Independence that founded the American Nation, President Nixon on July 13, 1969, announced the intention of forming a National Goals Research Staff in the White House. It would address itself, he said, "consciously and systematically" to the question of "what kind of a nation we want to be as we begin our third century." It was no longer feasible "to approach the longer-range future haphazardly." The pace of change was accelerating and the process of change was becoming more complex. New tools of analysis were available and should be used. Accordingly, he proposed to set up a "small, highly technical staff, made of up experts in the collection, correlation, and processing of data relating to social needs, and in the projection of social trends." This professional staff would be assigned the duties of—

Forecasting future developments, and assessing the longer-range consequences of present social trends;

Measuring the probable future impact of alternative courses of action, including measuring the degree to which change in one area would be likely to affect another;

Estimating the actual range of social choice—that is, what alternative sets of goals might be attainable, in light of the availability of resources and possible rates of progress;

Developing and monitoring social indicators that can reflect the present and future quality of American life, and the direction and rate of its change; [and]

Summarizing, integrating, and correlating the results of related research activities being carried on within the various Federal agencies, and by State and local governments and private organizations.

The President explained that this new unit would not replace other research activities in the executive branch performing studies in these fields, but would serve to coordinate such work. It would not be a "data bank" of present programs but rather would devote itself to the "long perspective." After discussing further the kinds of methodologies available for this purpose, he concluded:

The first assignment of this new research group will be to assemble data that can help illumine the possible range of national goals for 1976—our 200th anniversary. It will prepare a public report, to be delivered by July 4 of next year, and annually thereafter, setting forth some of the key choices open to us, and examining the consequences of those choices. [The President hoped it would stimulate wide public discussion while there was still time to make choices among alternatives.]

Only shortly beyond the Nation's 200th anniversary lies the year 2000. These dates, together, can be targets for our aspirations. Our need now is to seize on

⁴ U.S. President (Lyndon B. Johnson). "The State of the Union. Address of the President of the United States." House Document No. 1. Congressional Record, (January 4, 1965), page 29.

the future as the key dimension in our decisions, and to chart that future as consciously as we are accustomed to charting the past.⁵

When the promised report appeared, on schedule, it had a mixed reception. Futurists objected because they had not been given a "shopping list" of goals to analyze. Government officials found little program guidance in the study. The approach was explained in an introductory statement by Dr. Moynihan who declared: "Participation is the first principle of democracy."

* * * In the long perspective, the second half of the 20th century will almost certainly be seen as a period during which bureaucracies became more, not less, accessible to outside influences exercised by citizens purporting, at least, to be representative, and often as not, being such.

If this evolving concept of participation is to persist, and to have * * * results which raise rather than lower the general sense of the propriety of things, it is essential that the public increasingly be provided *in advance* with the essential data on which basic decisions about public policy are made.

And later on—

*** The creation of discontent is in part the object of goal setting. Discontent is commonly a condition of creativity in an individual or a society: it is at all events an immensely useful spur to progress. The art of national goal setting, then, is to be realistic about what can be attained, and to use social data in such a way as to enable both the expert and lay publics to understand that progress toward any seriously difficult goal is going to take place by increments, and to measure that progress as it occurs (or fails to occur, which is often the case).

He called attention to the fact that part of the price society pays when it consciously seeks to change things for the better is that as conditions for a group improve, the gap that remains grows steadily less tolerable; thus, "the better things are the worse they are said to be."⁶

In the Introduction to the staff report, a continuity was evident between the thinking in 1970 and the stance taken by President Johnson in 1965. But whereas the Johnson Great Society Message had merely hinted at the idea that growth might not be an unqualified measure of progress, the Nixon staff report identified this as one issue it was prepared to deal with. The summary of the Introduction developed the theme in these words:

America appears to be at a point of profound change * * * from a society in which production of goods was of primary concern to one dominated more by services and the generation and use of new knowledge. ***

* * * * *

Probably the major message that comes from the existing debates over a growth policy is not that our institutions have proved incapable of doing their job. Rather, many of our institutions have performed very well the tasks which we set for them a few decades ago. However, in so doing, they have created unanticipated problems with which we must now deal * * *. An essential part of this period of transition is the attempt to shift from a reactive form of public decisionmaking, in which we respond to problems when they are forced upon us, to an anticipatory form in which we try either to avoid them or be prepared to deal with them as they emerge.

* * * * *

Today, for the first time, we find the virtues of economic growth questioned, and this issue is put in popular terminology as one of "quantity versus quality."

⁵ "Statement by President Nixon, on creating National Goals Research Staff," Washington, D.C., July 13, 1969. In *Futures* (September 1969), pages 458-9. The President designated Leonard Garment, special consultant to the President, as director of the staff and indicated that it would operate in liaison with Dr. Daniel P. Moynihan, as executive secretary of the Council for Urban Affairs.

⁶ "Counsellor's Statement." In *Toward Balanced Growth: Quantity with Quality.* Report of the (President's) National Goals Research Staff. (Washington, U.S. Government Printing Office, 1970), pages 3-15, especially 8, 11, and 13.

Said the authors of the report: This was a false statement of the issue. New qualitative goals could be achieved only with the resources generated by continued economic growth. Therefore: "The issue is better put as one of how we can ensure continued economic growth while directing our resources more deliberately to filling our new values."⁷

The report devoted separate chapters to seven topics. These were: Population, environment, education, basic natural science, technology assessment, consumerism, and economic choice and balanced growth. Instead of prescribing goals for these items, the report sought to identify the underlying issues in each, and invited public discussion in hope that out of it might come a consensus on the issues. Extracts from the summary statements of the seven topics are presented as follows in paraphrase:

POPULATION

The issue is not how large a population the United States can support but " * * * whether a technologically advanced and industrially prosperous nation wants, or can continue to pay the price of congestion and contamination that comes from our overall affluence." Moreover, U.S. populations are concentrating in a few urban masses. This has been lowering the "quality of life in both urban and rural areas." The process is a self-sustaining one. Fixing overall population size is not urgent. What needs to be decided is whether and how to distribute the population. Possible alternatives are to encourage internal migration to less populated areas, or to encourage growth in smaller or new cities.

ENVIRONMENT

The environment imposes two kinds of limitations on social growth. Available resources are one of these and space is another: space to dispose of society's wastes is becoming a crucial question. Is there an "upper limit on our economic growth as a consequence of the limitations on how much waste can be absorbed"? More knowledge of ecological systems is needed. However, prompt action is warranted: (a) To consider current technological and economic alternatives in the light of long-range ecological balance, and (b) to resolve conflicts between demands for products and services, and the depletion and pollution generated by them. (The report discussed various means for motivating corrective actions, and then concluded with the following statement of general principles:)

Our environmental problems are a result of our technological and economic successes and of our philosophical view of nature. Now we must learn to use our technology and our economic output better to bring us in harmonious relationship to that environment. * * * It is becoming apparent that the relatively narrow criteria by which we have, in the past, judged technical and economic progress must be expanded to consider a wider range of consequences.

EDUCATION

The media (mainly television, presumably) are providing abundant information and diverse values to youth. Should schools help them sort out, integrate, and evaluate these? The plea for "relevance" suggests that schools should teach "problem-solving skills, fostering the devel-

⁷ Ibid., pages 35-36.

opment of students as individuals, and conducting problem-oriented research." Another option is to transmit traditional knowledge and values at beginning levels, while dividing effort between advanced traditional subjects and "pure" research in college. With respect to educational problems of minorities, equalization was a "special task."

BASIC NATURAL SCIENCE

What level of support should be maintained? To try to make basic science useful is to cloud the issue; results are often unexpected although some problem areas offer more opportunity for exploitation than do others. A forum is needed to support basic science in its integrity, in balance with the allocation of support of research to meet society's needs.

TECHNOLOGY ASSESSMENT

We need to apply to our technology a wider range of criteria than have been used in the past. The public and its representatives are becoming unwilling to tolerate adverse side effects of "things done in the name of progress." There is willingness to forego immediate economic benefits to avoid social and environmental costs. Problems in implementing this general concept include "that of establishing criteria for deciding which among all of the new technologies emerging shall be selected for assessment, and how inspections, standards, and controls shall be established." Another is that of incorporating the principle into all public and private decisionmaking. A third is how to resolve the dilemma of regulating undesired effects of technology without inhibiting the growth of new technology necessary to ensure economic development. It may be necessary "to accelerate our efforts to detect new benign technological opportunities and facilitate their rapid introduction to offset the impact of inhibiting the introduction and use of harmful technology."

CONSUMERISM

The spate of slightly differing products and the technical complexity of some has led to complaint that the doctrine of consumer sovereignty no longer holds water. The issue is how to protect the consumer and still preserve a viable environment for business growth.

ECONOMIC CHOICE AND BALANCED GROWTH

Conventional economic policy goals include full employment, an acceptable rate of growth, price stability, and a satisfactory balance of payments. Added to these now is a new set of goals under the vaguely defined label of 'quality of life.' The choice is for the people to make; the key choices are among competing ends. Scarcity forces hard choices among worthwhile objectives; but economic growth makes the achievement of more objectives possible.

FINAL SUMMARY OF THE REPORT

"The major lesson to be extracted * * * is the high desirability of an explicit growth policy with a relatively long-term perspective. In instance after instance, it was found that today's problems are a result

of successes as defined in yesterday's terms." Having perceived second-order consequences, and the need to take them into account when they can be anticipated, it is necessary to improve the ability to foresee them and to have an explicit policy framework within which to evaluate them. "The central ingredient in the development of a growth policy will be for the American people to decide just what sort of country they want this to be."

RESPONSES TO THE GOALS STUDY

Although the President in establishing the National Goals Research Staff had indicated his intention that it continue in operation, reporting annually on July 4, no subsequent report has been made. Apparently the Staff itself has been absorbed into other activities. Even before the first report had been made, the President had proposed the establishment of a new organization to take on some of the functions initially assigned to the Goals staff. In a Message to Congress, March 12, 1970, the President offered a reorganization plan that included a new Domestic Council at Cabinet level, chaired by the President, with other members including the Vice President, and the Secretaries of Treasury, Interior, Agriculture, Commerce, Labor, Health, Education and Welfare, Housing and Urban Development, and Transportation, and the Attorney General. Also, the Director of the Office of Economic Opportunity. The Domestic Council would have its own permanent staff. The President proposed to assign it the functions of—

Assessing national needs, collecting information and developing forecasts, for the purpose of defining national goals and objectives;

Identifying alternative ways of achieving these objectives, and recommending consistent, integrated sets of policy choices;

Providing rapid response to Presidential needs for policy advice on pressing domestic issues;

Coordinating the establishment of national priorities for the allocation of available resources; and

Maintaining a continuous review of the conduct of on-going programs from a policy standpoint, and proposing reforms as needed.⁸

One of the reviews of *Balanced Growth—Quality with Quantity* appeared in the journal, *Technological Forecasting and Social Change*. It was prepared by one of the editors of the journal, Harold A. Linstone, who had done a number of longrange planning studies for several aerospace companies and for the Institute for Defense Analyses. Dr. Linstone asserted that the report had not in fact done what it had set out to do: "It does not try to spell out with any precision the key choices open to us or the consequences of those choices." The range of alternatives in population policy was unduly narrow. The discussion of environment was unhelpful. In view of the obvious need for technology assessment, to present it as an issue was "curious."

Dr. Linstone also protested important omissions: poverty, student unrest, urban problems, minority group status, weakening of the family as a social unit, and "future shock." He concluded:

At this point we can no longer tolerate expansive generalities. Even if we do not have solutions we can formulate alternative goals, policies, and plans more specifically. And leaders must motivate.

⁸ "Weekly Compilation of Presidential Documents." Volume 6, Number 11, Monday March 16, 1970, page 354. The citation is of a transmittal of Reorganization Plan 2 of 1970, implementing recommendations of the President's Advisory Council on Executive Organization.

The manned lunar landing by 1970 was a precise objective stated in 1961. Why not generate a shopping list of 50 well-defined goals? They could include pollution levels, new communal settlement patterns, a policy for basic natural versus social science research support, and many others. For each goal a plan, or better, alternative plans, can be suggested * * *. * * * Given such a shopping list it is desirable to expose each item to public debate.

And finally, "The disparity between the long lead time implied * * * for the creation of a planning mechanism and gravity of the problem raises the question: Does time permit—and will America settle for—the low key approach represented by this report?"

VIII. CONCLUDING OBSERVATIONS

An examination of the basic goals of the early United States shows that they were drawn from a century or more of previous political theory. As expressed in the Preamble to the Constitution, these goals presented internal philosophical inconsistencies. When translated into national programs of action, they led to two opposing doctrines that have not been resolved: technology made one a virtual impossibility and invalidated the other. In a sense, however, both doctrines were fully applied, and by their very successes produced effects opposite from those intended.

APPARENT TRENDS IN THE DYNAMICS OF NATIONAL GOALS

The national goals of the past half-century seem to have run a similar course over a shorter time span, to those of Jefferson and Hamilton. Most of them have remained viable for something like a decade before waning in importance. Some of the recent national goals have receded by being superseded by others more urgent or commanding; others by being achieved. However, as with the goals of Hamilton and Jefferson, there are frequent comments in the literature about how success with each recent goal has created an adverse condition that intensified until its correction assumed the importance of a new national goal.

There is a substantial body of opinion that holds that the policies followed in the 1920s, looking backward to a laissez faire economy of the late 19th Century, led to the depression of the 1930s. There is a similar view that the combined policies of the 1920s and 1930s—of high tariffs and simultaneous preoccupation with internal economic problems—facilitated the rise to power of Adolph Hitler and led to World War II. Emphasis on the single goal of defeating the adversaries in World War II may have diverted attention from the planning of the peace even though there was planning and a recognized goal of a world of united nations. Yet the postwar outcome was far different from that envisioned as the goal in 1944. Containment of communism as a national goal in the postwar years had its tactical successes, but emphasis on the nuclear umbrella undoubtedly stimulated the efforts that led the Soviet Union to achieve the technological surprise of 1957, which evoked the revised U.S. goal of being first in space. The dramatic achievement of the moon walk, in turn, seemed to have provoked the popular reaction demanding that resources be used instead to improve the environment on earth. Thus each successive national goal seems, in some unforeseen way, to have led to the next.

National goals, once adopted, do not persist unchanged. Since, in principle, the immediate or short-term task or problem will always take precedence over the long-term program or goal, there may be a tendency for broad goals to be translated into more specific achieve-

ments. Thus, in the latter 1920s, the ideal of the balanced budget (an innovation of that decade was the concept of an annual balance sheet for the Federal Government) may have conveyed the assurance of fiscal neutrality on the part of the Government; this assurance, appropriate to a *laissez faire* economy, was not necessarily appropriate to the particular set of economic conditions in the United States following World War I. Similarly, the general goal of recovering technological superiority in the late 1950s was translated into the more specific goal of putting a man on the moon and bringing him back. This goal, too, while impressive and certainly difficult, did not really satisfy the requirement implicit in the initial goal. On the other hand, its achievement was accompanied in time with a resurgence of antagonism to science generally, and an insistence upon the need for "taming technology."

The changing nature of goals may have an effect on their durability. On the one hand, progress and achievement toward a general goal like freedom, or even technological preeminence, is hard to prove or calibrate. Once such an abstract goal is adopted, if no tangible progress is evidenced toward it the goal may lose its credibility and the public enthusiasm may wane. On the other hand, when a general goal is translated into an explicit, achievable task that is fulfilled, it is apparently difficult to revive public enthusiasm for the more general goal.

The staying power of a democratic republic may also be a factor. Inherently, a pluralistic society with the demonstrated willingness and ability to change its leaders has also the tendency to choose, revise, and abandon its goals. On the other hand, to suggest that Government agencies persist in striving for past goals when they have been abandoned by the electorate may be merely to acknowledge that professionals are more steadfast in sticking to their assignments than nonprofessionals are in maintaining their enthusiasm for someone else's accomplishments.

A number of students have commented that the character of all U.S. goals of the past half century has been reactive rather than positive and creative. In the 1920s there was reaction from a decade of activism. In the 1930s, there was reaction to economic distress; in 1941 and 1946 there was reaction to first one and then another adversary; in 1957 reaction to a technological challenge, and most recently reaction to perceived environmental impairment. It is easy to understand why this should be so. Political pluralism signifies opposition and conflict. The idea of a national goal implies consensus. Persuading a pluralistic society to agree on a national goal is an extremely difficult task. ("No" votes always tend to outweigh "yes" votes.) Unless its adoption is helped along by a serious and widely felt danger, it is not likely even to be attempted.

THE QUESTION OF THE VALIDITY OF NATIONAL GOALS STUDIES

Indeed, the question might be raised as to whether such studies of national goals as were instituted by Presidents Eisenhower and Nixon serve any useful public purpose. They are criticized by technicians of planning as wanting in sophistication and explicitness, and by specialists because of inadequate scope or misplaced emphasis. Interested parties assail particular findings as under- or over-stated. Extent of

public readership is always a question. And above all, is there any evidence that any study of national goals led to the adoption—let alone successful accomplishment—of a national goal?

If it is true that the study of goals does not produce goals, and that adoption of national goals leads to results opposite of what is intended, a strong case is made for the thoughtless and aimless society.

However, the motive power that drives men is ultimately the values they learn to believe in. It is by experiencing the mistakes that come from applying the values that the values themselves become refined and even altered. If man learns that sparing the rod does (or does not) spoil the child, he will be likely to pass on his finding in the form of a value. If the psychological investigation of the problem is too difficult for folk learning, and most problems of human relationships are, the experts may be called in. Unfortunately, as Dr. Moynihan pointed out in the introductory statement to the Report of the National Goals Staff:

Tracing the complex and involute interconnections by which inputs produce outputs in a large social system is not the work of amateurs. It is not now done in any area of social policy save in economics, and there, most economists would insist, it is done imperfectly. It is not done elsewhere because no one really knows how to do it.

It may be hazardous to speculate, because—as Dr. Moynihan has also pointed out—“common sense expectations as to what will follow from a given intervention are frequently wrong.” Yet Moynihan himself presents the dilemma that (a) “the creation of discontent is in part the object of goal setting,” whereas (b) “as conditions for a group improve, the gap that remains grows steadily less tolerable.” In other words: Find imperfections to be corrected, make them as goals the object of public discontent, and then as progress toward the goals is achieved the discontent that was stimulated by the goal-setting becomes worse. Thus society is motivated by discontent to progress toward discontented perfection.

However, the conclusion may be too glib—deliberately provocative and dramatic rather than valid and general. The virtually complete eradication of poliomyelitis in the United States followed no such pattern. The effort to achieve “comparability” of incomes in the Federal Civil Service with those in private industry produced no crescendo of tension and protest accompanying real progress. Undoubtedly there are reasons why disadvantaged groups become more articulate in protest as they advance (In Pakistan, it was not famine but too slow economic advance that provoked dissension: A famine-ridden population lacks the vitality and courage to protest.) But this is far from being an invariable rule.

The concept, then, is to explore the condition of man—where is he offered opportunities for change—what the consequences are of different possible ways of effecting the change—what ramifications are involved and what consequences of effecting the change in various ways—what pitfalls there might be—what tangible and intangible costs and benefits, present and future. Basically, it is not the fault of technology but the defects of social organization in using it that allows imperfect hardware and programs to gather momentum prematurely. There is nothing wrong with the concept of progress, only that too many changes are misrepresented as progress.

THE SOCIAL CONTRIBUTIONS OF STUDIES OF GOALS

The virtue of a study of goals is that it serves as a part of the process of adaptation to change. In principle, all biological systems are exposed to environmental stresses that do not keep constant; systems survive or perish as they adapt or fail to adapt to changes in these stresses. A political system or a biological species unable to adapt to change will perish. By assisting man to adapt to change in his environment—and by accommodating itself to change—the political system retains its viability.

The function of a study of national goals, it would seem, is to contribute to human rationality as one component in social decisionmaking, which is the process of adapting to change. It performs this function by looking beneath the clutter of surface characteristics, complaints, opportunities, and enthusiasms, in order to identify for the public the really important questions and issues for the future. There is in political science a law of "Conservation of Indignation." It is not politically feasible for the electorate to become effectively outraged over very many defects at the same time. If it must concentrate on a few, therefore, it would seem better to concentrate on the most important ones. There is also a converse law of "Parsimony of Enthusiasm." The public cannot eagerly pursue many opportunities for betterment at the same time. There is no technical reason, for example, why space exploration should be interrupted in the effort to purify the terrestrial environment, but there may be a political or psychological reason why this is so. It should therefore be considered socially advantageous to ask the right questions to enable the public to choose the most important routes to progress.

How well the task of identifying the important questions for the future is performed by any one study depends on more than competence alone. Its substance and emphasis will inescapably be conditioned by the social aims of the participants, the perceived climate of prevailing public opinion, and the constraints imposed by the institution receiving the product. The prescription offered years ago by the philosopher John Dewey seems relevant here. He pointed out a distinction between a totalitarian and a democratic system: That the former made five-year plans and exercised its authority to implement them in toto, while the latter engaged in "continuous planning" to enable flexible accommodation by a plurality of diffused forces and mechanisms to the need for accommodation to change. The former changed course only with difficulty; the latter more readily, if inefficiently.

The motivation for change in a democratic society can arise at many points: In a book like *Silent Spring*, in the course of a congressional hearing or symposium, in a report by a Federal agency, in a newspaper story about a dangerous drug, in a private letter from a scientist to the President of the United States. Studies of national goals contribute to this process by enabling the earlier identification of triggering forces for change, more comprehensive characterization of the total social environment involved in change, and the array of dangers and opportunities that are in competition at any given time for public and legislative attention. The professional study of national goals contributes to this process the benefits as well as the faults of professionalism.

SOME PROPOSED GOALS FOR THE UNITED STATES

A study of goals should not be concluded without a suggestion as to desirable goals. In full consciousness of the limitations and perils of offering such goals in an objective piece, the writer offers the following:

1. AN INSTITUTION IS NEEDED FOR THE STUDY OF THE FUTURE OF THE UNITED STATES

Such an institution should be concerned with the consequences of the rapid and potent changes in opportunities resulting from the onrush of science and technology. It should be concerned with the need for better techniques or measurement to help society answer for itself the classic questions posed by Abraham Lincoln in his House Divided speech. It should identify at an early point the vital questions likely to confront the Nation as the future unfolds, so that accommodation to change can be a deliberate and rational process instead of a violent reaction.

2. THE ISSUE OF GROWTH VERSUS STABILITY REQUIRES RESOLUTION

Can American society simultaneously pursue both growth and stability? If either is pursued alone, it is likely to be at the expense of the other, and ultimately both will fail. Is it possible to identify elements of growth and elements of stability that are mutually compatible, politically feasible, and socially acceptable? Does growth or stability, in general or in particular elements, need to be national; or could it be regional or even local in its extent?

3. THE ISSUE OF NATIONAL SECURITY VERSUS MILITARY POTENCY REQUIRES RESOLUTION

It would seem desirable not to have nuclear weapons in the hands of a possible adversary targeted against the United States. It would also seem desirable to eliminate the motivation for any nation to attack the United States. They are not the same thing, and which is the more important? Is it possible to accomplish both? What fields of science could best contribute?

4. THE GOAL OF ENVIRONMENTAL QUALITY STILL REQUIRES DEFINITION

Environmental quality is in the process of becoming a national goal. It runs the alternative dangers of becoming defined in such broad terms that it cannot be an operational task, or of being converted into one or two narrowly specific tasks that deflect public effort from the necessary and broad effort. The totality of environment needs to be characterized, and the specific tasks of enhancing its quality given their priorities in a way that will apply in the future as well as in the present.

The important facts about environment are that (a) it is the comprehensive totality of all that is outside the individual, and (b) it is measured primarily in geographic terms. Quality and frequency of sensory contact, that are the sum of individual man's environment,

tend to follow geographic intervals. The individual, the home and family, the neighborhood, the community, the area, the county, the State, region, nation, continent, and hemisphere and world, are, in effect, enlarging concentric geographic units of environment. Goals as proposals for change or as responses to change have different impacts and different evaluations at each locality and level. Political decision-making is more than a counting of noses—intensity is also important. Intensity is relative to geography and the geographic differences of environment and environmental change. One important question, then, is the particular relevance of a goal for the level of geographic unit and the particular subdivisions most concerned.

5. THE GOAL OF PERFECTING HUMAN INTERRELATIONSHIPS IN A CHANGING WORLD NEEDS TO BE STUDIED

In human relations, as in all the foregoing goals of society, an ambivalence of opposites is apparent. Growth is seen as the opposite of stability yet both are desired. Novelty is prized but man is overwhelmed by too much change. Technology is both feared and indispensable. Liberty versus tranquillity, defense versus welfare, present versus future, are dichotomous terms that have expressed American goals since the beginning of the Republic. Perhaps the goal in human relations should be to explore in modern terms the ancient Greek idea of balance, of moderation, of "nothing too much." If the dichotomy in human relations is Conflict versus Cooperation, perhaps the ideal is to learn to lean this way and that on the balance to keep them roughly equal.

CONCLUSION

Whatever may be the outcome of the travail of the present, and hopes and fears for the future, it is well to be mindful of the sober injunction of the poet, Walt Whitman, who wrote: .

Now understand me well—it is provided in the essence of things that from any fruition of success, no matter what, shall come forth something to make a greater struggle necessary.

TOWARD BALANCED GROWTH: QUANTITY WITH QUALITY

Report of the
National Goals Research Staff

WASHINGTON, D.C.

4 JULY 1970

COUNSELLOR'S STATEMENT

Daniel P. Moynihan

It has never been the purpose of the American people simply to get by, hopefully with as little misfortune as possible. From the outset of our life as a people, and then as a nation, we have purposed great things, and have achieved many. Not least because we have expected to do so. (Might it not be asked what other nation would undertake to send three men to the moon, and in the full expectation that they would get there and return safely, have its chief executive await them on the deck of a warship in waters half round the world from the seat of government? The only other nation even to begin the venture does so in the utmost secrecy, presumably anticipating disasters. For what else should be expected from such a presumption? Perhaps the difference is to be found in the term "presumption." Going to the moon for Americans was not tempting the gods, far less defying them. Was it not, rather, a collaboration? Apollo's teammates indeed!)

A nation that undertakes to do great things will of necessity much of the time be dissatisfied with its performance. There is a deep running reason for this that is in every sense a good reason. It is as Walt Whitman wrote: "It is provided in the essence of things that from any fruition of success, no matter what, shall come forth something to make a greater struggle necessary." There is a less reassuring reason also. Great efforts can and do lead to great disasters. A law of proportionality obtains in the affairs of men. He who would make no little plans must expect to make no small mistakes.

All the more, then, is the likely value of a regular, recurring effort to assess just where the Nation appears to have got with respect to goals it has undertaken, and just where we are likely to get accordingly as we choose one set of apparent options over another. There is only one thing more useful than being reminded that a national commitment has not been kept, and that is being reminded that it has. There is a danger of pridefulness in the goals America sets for itself, and the role it seeks to play in the world. But there is a perhaps even greater danger of despair. The reasons for this are simple enough. Human achievement is difficult, is rare, and is often as not fleeting. In an age whose most distinctive feature

is technological achievement this might not at first seem to be the case. Even so, it is. Technology transforms the relationship of man to his natural environment, making it easier to do things he has sought to do in the past, and possible to consider other things heretofore undreamed of. But that same technology makes the relationships of men to each other more difficult, or at least not less so, and assuredly more subject to peril and risk, and to the constant need for re-creation.

There is a rising perception of this reality in the United States, and it may be expected to follow in other industrial nations as well. It perhaps explains the curiously foreshortened nature of the response to the flight of Apollo XI. Pride in the men who did it was intense, but their success did not set off any great cycle of national self-congratulation. Rather the contrary. As often as not, success in space was cited as grounds for intense dissatisfaction with the state of affairs on earth. Why, it was asked to the point of intense unoriginality, was it that our Nation could land men on the moon, but could not "clean up the mess in the cities"? At least a partial answer is that two quite different problems are involved. Getting to the moon involves men overcoming a struggle with certain gravitational forces. Those not involved in the struggle are neutral in it. The condition of the cities—or the countryside, or the suburbs, or whatever—involves situations in which men have, or think they have, conflicting interests, and act in ways to thwart one another just as often as they act in concert to achieve some common end. (This is perhaps an exaggeration. The overwhelming fact of urban life is the degree of seemingly effortless cooperation about most things. The areas of conflict are comparatively small, but in the nature of things it is these that command attention. If the supplying of water were as chancy, as contentious, and as recurrently unsuccessful as programs to ensure the safety of the citizen on the streets at night, there would be considerable talk about the water crisis.)

It is nonetheless a fact that as technology advances, man's initial fascination with, and confidence in, it recedes. This may or may not be a cyclical process. In any event, such a recession is powerfully in evidence in the United States today, and most especially among those persons who have most benefitted from that technology in terms of material well being. Beyond technology, this mood increasingly is directed toward science itself. Knowledge for the moment is at a discount in the United States, the result of the unforeseen consequences of the use of knowledge, and not less frequently, of the presumption of knowledge where none existed. (The latter being perhaps a characteristic weakness of a civilization in which so much is known. It becomes difficult to admit to ignorance, and easy to assume the reliability of information that is anything but reliable.

A 19th-century American saying held that "it's not ignorance that hurts so much as knowing all those things that ain't so." We have been more than a little hurt, of late, by that phenomenon, and this too has deepened the sense of underachievement, or even of failure, that is much to be encountered at this moment.)

All in all, the circumstances of the moment are not those that in the past have quickened the national desire for more comprehensive collecting and sorting out of social data. The test of social reporting is not whether it seems like a good idea in cheerful times when the future presents itself as an all but irresistible opportunity for benevolent manipulation. The test comes in times of stress when intelligent, if perhaps overwrought, men will be found asserting that the main question about the future is whether there will be one. It is at such moments that information counts. This is such a moment. If social reporting is to play a role in American governance, this is the time to find it out.

The hoped-for nature of that role should be made explicit now, as it was at the time the National Goals Research Staff was established. The NGRS was not to be a planning agency, nor was it in any way to usurp or replace the processes of decisionmaking within the executive branch of Government. Much less was it to assume the functions of any other branch or level of government. Rather, it was to provide information and analysis so that those making decisions might have a better idea of the direction in which events are moving, the seeming pace of those movements, and alternative directions and speeds that possibly could be achieved were policies to be shifted in one direction or another.

The continuity of the idea of a social report has been emphasized by many. It may at this point be well to note that the idea has also evolved in response to changes elsewhere, primarily with respect to the concept of public policy. We are moving from program to policy-oriented government. It would be proper to ask who made that decision. The answer would have to be no one. Whereupon the question would arise as to whether any decision had really been made, or any development had actually occurred, and even here a defensible response would have to be cautious, even to the point of evasiveness. Nonetheless a distinctive shift in outlook and process is to be encountered within the Federal Government which relates to the distinction between program and policy, and represents a shift in emphasis from the former to the latter.

A distinction between the two concepts can be made at varying levels of complexity, but the most elemental is the most useful. Government, for the most part, is a collection of programs. A program is an activity of some kind authorized or required by statute. The objectives of the program may nominally be stated in large, general terms, but, in practice, programs are defined as activities of certain kinds which are their

own justification. In terms of the social system, programs represent "inputs": so many miles of highway; so many square miles more, or less of national forest; so many Headstart classes; so many acres of price-supported crops; so many dams; so many manpower training "slots"; so many silver dollars. The assumption on which programs are based is that the inputs which they constitute lead to certain desired outputs of the system. More highways mean more convenient travel; more manpower training programs mean more and better employment; more silver dollars mean better living standards for certain areas of the Nation. As a first approximation, most of these assumptions are certainly reasonable, and usually valid.

At times, programs do exactly what they purport to do. The difficulty comes with more complex analysis. Altogether too frequently it will be found that the actual results of a program are not at all what was hoped for or promised. More dams may not produce more flood control; more price support may not produce more prosperous family farms. Still more frequently, it will be found that the desired results of a given program in the area to which it is directed produce quite undesirable results in another area that was either presumed not to be related, or was not thought to be related in any significant way. Thus more convenient travel may lead to barely tolerable, even intolerable levels of air pollution. The "successful" manipulation of natural processes in one part of the ecology, may lead to altogether unacceptable distortions in another part of the system. Thus, policy is primarily concerned with the "outputs" of a given system.

The key term here, of course, is system. The idea of policy arises from the recognition that the social system is just that, a system. Once this fact is recognized there is no alternative save to act in accord with it. That is to say, the object of policy is to guide government activities in accordance with the properties of a system.

The first of these properties is the best known. In a system, everything relates to everything. If one part is changed, all other parts are affected. It thus becomes necessary to think of the total effect, not just the partial one.

This fact has an important corollary. Given the interconnections of things, it follows that there is no significant aspect of national life about which there is not likely to be a rather significant national policy. It may be a *hidden* policy. No one may know about it; no one may have intended it. But it is a policy withal. (In the course of the 1960's, for example, the Selective Service System emerged as a national youth policy of pervasive, enormous, and, in almost every respect, calamitous consequence. In effect, the draft meant that youth of higher social status would

in considerable measure be excused from fighting in a difficult and dangerous war. Almost certainly this contributed importantly to a sequence of events which led large numbers of this group into unprecedented opposition to society as a whole. Yet Selective Service was never seen as a youth policy. From the first it has but one object, to maintain the Armed Forces at a lesser cost than would be required if the members thereof had to be induced to serve by the same kind of inducements that operate in the labor market generally. Not infrequently, the strongest proponents of the draft have been persons who wished to see the money "saved" by it used for important social services to help the less advantaged. They certainly never considered that in the process they might be sending just such persons to war, while exempting more privileged youth.)

A second property of systems can be seen at work in the foregoing example. Systems are frequently "counterintuitive" in their operation. That is to say, common sense expectations as to what will follow from a given intervention are frequently wrong. Thus by the end of the 1960's it was not persons who were being drafted who appeared most to protest the draft. Rather it was persons who for various reasons were exempted or deferred. On closer examination it may be there is a perfectly reasonable explanation for this, but the term "counterintuitive" is not intended to be mysterious. It is nothing unusual in personal experience for things not to work out as expected. This is not less true of government activity. But it is within the power of government—that is to say the power of systematic analysis—to detect such situations more frequently than will be the case when men simply rely on their hunches. (This power, to be sure, is limited. After two decades of urban renewal, the argument still goes on whether the results of the program have been to increase the supply of low income housing, or to decrease it.)

To repeat, somewhat, knowing these things to be so, responsible government must act accordingly. It is in this sense that the movement away from program-oriented government toward policy orientedness is at once a manifest, almost visible, phenomenon, and yet is largely unofficial, even informal. It may be likened to a change in sensibility in cultural matters. A time comes when persons see things differently from the past, and, accordingly, act differently.

Like any change in the style and substance of government, this most recent one involves problems for democracy. Tracing the complex and involute interconnections by which inputs produce outputs in a large social system is not the work of amateurs. It is not now done in any area of social policy save in economics, and there, most economists would insist, it is done imperfectly. It is not done elsewhere because no one really knows how to do it. It is just that most persons who have considered the matter feel it has to be done, and accordingly someone will have to learn

how. Many someones. It will be necessary to develop a career civil service capable of dealing with the subject matter. (And this will require the development in universities and elsewhere of policy disciplines.) It will be necessary for political executives to learn to use the information produced by these disciplines. (This process may already have begun. The Equal Education Opportunity Survey, commissioned by section 410 of the Civil Rights Act of 1965, and completed in 1966, produced massive amounts of "counterintuitive" information about the workings of the educational system. At first the government had difficulty responding. The information was either ignored or distorted. This response did not persist however. Gradually, government learned how to use the new findings. On May 21, 1970, President Nixon sent to Congress a message on school desegregation, the educational strategy of which was based primarily on the findings of the EEOS with respect to the fundamental importance of social class and racial integration to raising the educational achievement of children who do less well than they should.)

If the analysis and discussion of public issues is to continue to move in this new direction, it becomes necessary to lay down certain principles which ought to guide all of those involved if the end result is to be a more creative democracy, and not simply a more effective government. It is not for any one person or administration to assert what those guidelines ought to be, but there is likely to be a fair consensus that high on any such list would be the principles of participation, and of accountability.

Participation is the first principle of democracy. It developed relatively late in Western political thought—principles of liberty, of civil rights, clearly antecede it—but has surely proved enormously powerful and effective. Part of the evidence for such a statement is that the Western democracies, perhaps especially the American democracy, seem continually to be evolving new forms of participation by citizens in the governing process, gradually transforming experimental, ad hoc practices into more or less routinely acknowledged rights. From earlier forms of representative democracy there has been a fairly steady evolution toward direct citizen participation in the actual workings of government, a movement that has somewhat lagged but otherwise paralleled the increasing professionalization of government service. One result of this is that, in the long perspective, the second half of the 20th century will almost certainly be seen as a period during which bureaucracies became more, not less, accessible to outside influences exercised by citizens purporting, at least, to be representative, and often as not, being such.

If this evolving concept of participation is to persist, and to have genuine consequences, that is to say, results which raise rather than lower the general sense of the propriety of things, it is essential that the public

increasingly be provided *in advance* with the essential data on which basic decisions about public policy are made. This situation is already well developed with respect to basic economic data. If it will be recalled that the Nation went through the whole of the great depression of the 1930's without ever really knowing the unemployment rate (which at that time was recorded every 10 years by the Bureau of the Census), the extraordinary advances of the postwar period become evident. It is a good general rule that governments only begin to do something about problems when they learn to measure them. It is perhaps even more important to be clear that peoples are only likely to take serious advantage of opportunities when they learn to recognize them. In this respect, the development of the national income accounts, which parallels that of employment data, has for the first time made it possible to speak in serious and specific terms about the opportunities which economic growth will present in the foreseeable future. Consider the implications of the following paragraphs from the President's 1970 state of the Union message:

As we move into the decade of the seventies, we have the greatest opportunity for progress at home of any people in world history.

Our Gross National Product will increase by \$500 billion in the next 10 years. This increase alone is greater than the entire growth of the American economy from 1790 to 1950.

Documents such as this report can become one of the essential channels by which the options before the Nation are presented in specific and comprehensible terms so that it becomes possible for a body of public opinion to form in advance of the time when government does or does not make decisions about which directions to move. (Note particularly that a decision to do nothing is very much a decision.) In the past, having had so little understanding of what our options might be, most decisions have gone by default in this negative fashion. The great power of social data is to inform us as to what possibilities may exist.

Social data also become indispensable to meeting the principle of accountability. There is no serious way for the Nation to know whether the options chosen by the governmental process are in fact attained unless there is a steady, readily accessible, and understandable flow of information as to the actual results, which is to say the outputs, of government programs. In this respect, one of the most important legislative measures in American history was the Budget and Accounting Act of June 10, 1921, which established the Bureau of the Budget and the General Accounting Office. From that time forward the auditing practices of the Federal Government became steadily more efficient, and

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just as importantly, more accessible to the public. It has been remarked that thereafter public funds might be wasted, but they were rarely stolen. The result was a steadily higher confidence in the probity of Government activities, and a correspondingly increased willingness on the part of the general public to see Government undertake ever more ambitious and promising efforts. As Government moves toward the more or less conscious adoption of policies with respect to large national issues such as economic growth and regional development, population, racial equality, environmental stability, and any number of similar issues, it clearly becomes necessary for there to be more or less readily available measure of the "outputs," that is to say the results of such policies.

There is an important further sense in which the availability of authoritative data on social trends is likely to be increasingly important in the period ahead. If it is a condition of life that a great many problems develop unawares, and that other problems are ignored even where warning signals occur, it is not less a condition of the present time at least that a great many situations are utterly exaggerated in the opposite direction. If man is a problem-solving animal, American men and women are problem collectors as well. Particularly in the present atmosphere of rejection by many persons of the past routines of science and technology, it becomes possible to represent thoroughly manageable trends in areas such as environmental change or population growth as wildly destructive and uncontrolled rampages leading mankind to the imminent abyss. Such prognoses invariably are set forth in the name of some common good, some shared interest in the avoidance of disaster, yet here, as in most matters, Americans tend to pursue rather special, personal interests: as much today as when President Madison outlined this process as one of the conditions to be contained by the democratic process, and of course about as much and no more than do any other people.

There is every reason to be concerned about the costs of economic growth, and need for a balanced national growth policy, as the President proposed in his 1970 state of the Union message. But this is quite a different thing from proclaiming the immediate necessity to put an end to growth. Such an idea might be attractive to families with incomes over \$50,000 per year. But how much sense would it make to the 24.3 million persons who live below the poverty line, or for that matter to the great mass of the American people who live good lives, but hardly lavish ones? In much more general terms, how much sense would this make for society, given the great stabilizing role of economic growth which makes it possible to increase the incomes of less well off groups in the population without having to decrease the incomes of others? Even so, the Nation could easily opt for such a course in the absence of credible and

comprehensible information as to just what is going on, and what trends are likely to be.

The perils of choosing national goals on the basis of inadequate or misinterpreted information are surely matched by the dangers that arise when progress toward national goals that have already been chosen is assessed on a similarly inadequate basis. The difficulty with national goals is that they too quickly become standards by which to judge not the future but the present. In a sense, they institutionalize the creation of discontent. The setting of future goals, no matter how distant, drains legitimacy from present conditions. Once it is established and agreed upon that the future will have to be very different from the present, it becomes absurd to be content with the present. The past is annihilated. The most extraordinary progress counts for little if it has brought society only to a middling point in an uncompleted journey.

Yet the creation of discontent is in part the object of goal setting. Discontent is commonly a condition of creativity in an individual or a society: it is at all events an immensely useful spur to progress. The art of national goal setting, then, is to be realistic about what can be attained, and to use social data in such a way as to enable both the expert and lay publics to understand that progress toward any seriously difficult goal is going to take place by increments, and to measure that progress as it occurs (or fails to occur, which is often the case).

The most distinctive success in an effort of this kind has concerned the Employment Act of 1946 which set forth the national goal of promoting "maximum employment, production, and purchasing power." This undertaking was somewhat preceded and very much followed by an intensive and brilliantly successful effort to develop employment and income accounts which would make it possible to measure the Nation's approach to the somewhat attenuated goal set forth in the statute. Given the cyclical nature of much economic activity, periods of movement toward a high level of employment have alternated with periods of movement away from that condition, but *by and large* over the intervening quarter century the Nation has learned a good deal more about how actually to attain that goal, and has achieved a much stronger consensus that it ought to be attained.

The two areas of conspicuous failure have involved young workers and black workers, but even here changes are occurring in the direction of the Employment Act. Youth unemployment rates have risen sharply from those of the mid-1940's. The reasons for this are disputed, but certainly include declining rates of farm employment, and higher levels of youth wages, both of which represent improved income positions for those with jobs. The situation had nonetheless become intolerable by the 1960's, and a range of more or less permanent youth-employment programs were

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instituted. If they have not achieved the goals of the 1946 act, they certainly suggest that the Nation would be even worse off in this particular respect had not the existence of those goals added to the presumption of the necessity and normality of the responding programs. Similarly, in the period following the adoption of the Employment Act the position of black workers worsened with respect to that of white. A 2-to-1 ratio of unemployment rates was for 15 years a seemingly fixed feature of the economy. But this in turn hastened the adoption of programs in the 1960's heavily directed toward the problems of Negro employment. Moreover, at the very end of that decade the 2-to-1 ratio began to diminish. How permanent this change will be no one would yet want to predict, but again the fact is that accurate social data have made possible an increasingly informed and effective national debate on the achievement of the national goal of "maximum employment, production, and purchasing power."

In 1964, almost two decades after Congress adopted the national goals of the Employment Act, the Economic Opportunity Act went beyond the "maximizing" standards of the earlier legislation to proclaim the absolute goal "to eliminate the paradox of poverty in the midst of plenty in this Nation. . . ." The Economic Opportunity Act proclaimed this goal and a wide range of further legislative enactments set out to attain it. In statistical terms, there has been a remarkable success. During the first half of the 1960's there was very little decline in poverty, as measured by the subsequent Social Security Administration index. The number of Negro poor actually rose during 1960, 1961, 1962, and it was not until 1965 that it fell below the level of 1959. However, in the years that followed there was a near to precipitate decline in the number of persons living in poverty, while rates of exit reached 9 percent or better in 2 recent years.

Between 1964 and 1969, although the general population increased 25.3 million, the number of poor declined by 11.8 million persons, to a total of 24.3 million. Should that absolute level of decline persist, poverty will just about have been eliminated by the end of the present decade. This would mean an historic change in the economic position of black Americans. As late as 1962, 56 percent of blacks were living below the poverty level. By 1969 this proportion had dropped to 31 percent. This in itself is a change that might readily be recorded as a social transformation. During this period there has been a sharp increase in real family income for all recorded groups in the society. The overall ratio of Negro family income to that of white rose from 54 percent in 1965 to 61 percent in 1969, while for young married couples outside the South, parity, for the first time in history, was attained between black and white.

At the same time it would appear that profound changes took place during the 1960's—or first were recorded during that era—bearing on racial attitudes in the United States, and on the general role of the black citizen. After generations of massive disfranchisement in the South and a relative absence of significant political roles elsewhere in the Nation, the Negro electorate increased enormously in the aftermath of the Voting Rights Act of 1965, while Negro-elected officials became an increasingly familiar feature of urban government in all sections of the country. There were not less pronounced changes in racial attitudes, or at least attitudes that emerged from careful surveys were considerably different from those that had been assumed. Thus the study "Racial Attitudes in Fifteen American Cities" prepared for the National Advisory Commission on Civil Disorders presented a picture at once remarkably at odds with the view of the Commission's formal report, and with the general stereotype of rising racial hostility. American citizens, black and white alike, emerged as notably accepting of one another, and fundamentally persuaded that it is individual effort and capacity that count in life, as against caste or class consignment.

Similarly, while the issue of school integration remained troubled and in ways increasingly disputatious during the 15 years following the Supreme Court decision in *Brown vs. Bd. of Education*, and white attitudes were thought either to have remained frozen or to have actually deteriorated, in May 1970 the Gallup Poll reported just the opposite. In 1963 six in ten Southern white parents had said they would object to sending their children to schools where Negroes are enrolled. By 1970 this proportion had dropped to only about one parent in six. The Gallup Poll remarked, "This finding represents one of the most dramatic shifts in the history of public opinion polling."

Yet this particular reality is counterbalanced by another. The 1960's not only saw immense changes in the objective situation of the black and the poor in America, it saw also an even greater escalation of the rhetoric of denunciation of the society for the failings that are, in a sense, implied by the very existence of such categories. This is not an inexplicable phenomenon. For well over a century observers of American society have been turning out elaborations of de Tocqueville's original perception that as conditions for a group improve, the gap that remains grows steadily less tolerable, with the rough result that the better things are the worse they are said to be. More recently social scientists have formulated this in terms of "goal gradients," with the hope that the phenomenon cannot only be described, but can be measured. But it remains part of the reality; part of the price a society pays when it consciously seeks to change things for the better.

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A not dissimilar experience probably awaits the Nation as it moves—assuming it does—toward the conscious adoption of a national growth policy, as proposed by the President in his 1970 state of the Union message. There seems to be general agreement that under any circumstances the United States population will continue to grow for the next 30 or so years, and that this growth will result in adding 60 to 100 million persons to the population by the year 2000. (A fifth or more of this increase will come from immigration.) The extraordinary quality of elemental social data such as this is that, once it is known, all knowers are implicated in the knowledge.

The American population has been growing for three centuries. Somehow, however, it is not until now that this knowledge has forced itself on the national consciousness in a form suggesting that preparations ought to be made to accommodate the change which, in a sense, has already occurred because it is known that it will occur. It is abundantly clear that it is no longer sufficient to equate satisfactory national growth with a 4.2-percent increase in the gross national product. It is not clear, however, that those who manage this not especially remarkable perception are capable at the same time of seeing that it is only because growth in the GNP has come to be so large and so regular, that it is now open to the Nation to discuss which sectors of the GNP are to be encouraged, which discouraged. Similarly, as the American population accumulates in complex urban conurbations largely located on the coastal periphery of the Nation (including the Great Lakes area), it becomes possible to grow increasingly critical of the course of urban development, without recognizing that it has been the wealth generated by this movement that makes possible the consideration of more elegant alternatives. Perhaps most significantly, as a growing proportion of the population becomes well educated and affluent, it becomes ever more likely that it will identify its own interests in redirected or even terminated national growth with that of the still much larger proportion of the population which still properly looks forward to a fairly straight-line increase in earnings and income. All in all, the decade of national growth policy is not likely to be an especially peaceable one.

More than will be the need for increasingly accurate and easy-to-follow social data that describes the past and present, and reasonably projects the future. A new role for social science emerges. If government is to be directed in terms of general policies, such as a national growth policy, it becomes increasingly important to be able to make some assessment in advance of the effects of particular interventions on the system as a whole. This is a form of evaluation that predicts results rather than simply measuring them. It is, in effect, evaluation in advance: a large, challenging, promising goal—a goal which if seriously and successfully pursued, holds

out the prospect of a system of self-government that grows increasingly meaningful as citizens are asked to make choices among options that are not partially, or even deceptively, but fully described by governments which thereafter can be held just as fully accountable.

Do Americans wish this to happen? No one is in a position to say. Yet there exists at this moment a fact of very considerable significance. The Eighteenth Decennial Census has just been taken. It was not only the most comprehensive, detailed, informative census ever attempted, it also produced (at least by all early indications) far the most willing and universal response ever from the people themselves. This was not a routine event. A considerable effort had been mounted to restrict the scope of the census, and to present it as in some way an intrusion into the personal life of the citizenry. The citizenry thought otherwise. It is a good sign that in the decade ahead we shall considerably enhance our abilities not only to collect such data, but to put it to the good purpose of democracy.

BALANCED GROWTH:
DEFINITIONS AND ALTERNATIVES

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I. SUMMARY OF PRINCIPAL POINTS

There is today considerable interest in whether it is possible and desirable to have a "national growth policy," by which is meant a comprehensive national territorial policy. Although the idea appears as new to many, issues of national territorial policy have been central to U.S. history until this century, and territorial planning is a normal part of national planning in many advanced countries.

Several documents, including present legislation, state that the purpose of such policy is "balance," but the word goes undefined. Common use of the word in this context usually implies a certain evenness of growth rates, particularly demographic ones, among different areas. Yet, on examination, this approach is fraught with contradictions, principally because it addresses the formal aspects of the distribution of people and economic activities rather than the national purposes to be served. A functional approach to balanced growth consists of guiding the evolving social system in accordance to national purposes. Particular distributions are instrumental to this process, not ends in themselves.

The goals of national growth policy are the territorial dimension of general national goals. There are (1) national prosperity, (2) equity in the distribution of consumption and access to services, (3) quality of life, (4) environmental integrity, and (5) national security. Balanced growth involves of necessity difficult choices of emphasis among these objectives since they cannot all be maximized simultaneously. These choices are inherently political, particularly because of the uneven distribution of costs and benefits among peoples and districts. Technical planning can inform and improve these choices, but it must work jointly with the political process.

Guidance of the nation's territorial development in accordance with social purposes must be done within the constraints of the national reality. A widespread error has been an over-emphasis on the location of manufacturing as a principal policy instrument. Jobs in manufacturing, particularly production jobs, are a stagnant sector of the

economy, and totally insufficient to the needs. There must be increased recognition of our transition to a service economy or post-industrial society both for the diagnosis of the problems to be addressed and for the selection of remedies.

The making of national growth policy will be an evolving process of social learning, both in its technical aspects and in its development of ways for political participation at many levels. It will take place slowly, in definition and execution, and must not fall into the trap of early adoption of master-plans or great configurations, which would be brittle and ultimately trivial. Rather, national growth policy must be regarded as ongoing and changing, developing institutions and technical capacity, adhering to general purposes and possibly to certain grand themes, such as the return of the South to national parity.

The political dimension of the formulation of this policy is particularly complex. Within the federal government all three branches must play a role. The executive because it has charge of operating agencies and of most of the technical analysis and plan-making function. The legislative because it is the only branch itself organized by territorial representation. The judiciary because constitutional questions arise at several points, and because the incidence of costs and benefits which escape the market mechanism calls for new forms of allocation. Political matters at all levels are also inescapably involved in policy formulation, evaluation, and implementation, and existing institutions will have to be stretched and new ones possibly developed to integrate politics constructively with technical and operational aspects. The experience of other countries and our own, particularly in the handling of environmental questions, should be studied closely to develop effective ways of proceeding.

As national territorial goals are only the geographic dimension of general national goals, so all national policy has a territorial impact which amounts to an existing implicit and largely unexamined national growth policy. In the opinion of many, the consequences of these implicit policies swamp the effects of programs addressed directly to territorial issues. While clearly most national policy is properly addressed to matters other than territorial, these implicit

consequences should be systematically examined and reported upon, possibly by a national bureau of territorial analysis, for which authorization appears to exist in Title VII of the Housing Act.

Present techniques for the evaluation of policies are generally not very advanced, although well-established techniques have been developed in limited areas. While much work is going on in this area, improvement of the state of the art will be a slow process. Even if significant advances are made, the process of evaluation will remain a mixture of technical and political review. However, important steps can be taken to determine the consistency of the aggregation of local and sectoral plans and projections to national totals. Beyond this, work may be undertaken to test the local and national consistency of functionally interdependent plans and projections. These would be large tasks in terms of present levels of effort, but such national overview would yield substantial benefits.

II. EMERGENCE OF THE IDEA OF A NATIONAL GROWTH POLICY AND THE CONCEPT OF BALANCED GROWTH

The idea that a national policy of distribution of population and economic activity is possible and desirable has been gaining currency in the United States in the last half-dozen years. The idea strikes many as new, but it is not. It has been an important part of national planning in European and socialist countries since the second World War, and before. It has been a vital part of American history since the inception of the nation: one need only recall Jefferson's injunctions for an agriculturally based society, the great land purchases, the Homestead Act, the explorations, the trauma of the Civil War and Reconstruction, the development of the railroads, the surprisingly recent entry of the Southwestern states into the Union and the turbulent relations with Mexico. All of these, and others, involved conscious national policies and lively national debates concerning major aspects of the distribution of our people and our economic activities.

But sometime in the second decade of this century, possibly with the dying of the final echoes of the frontier, sight was lost of a national policy of territorial development, and intermittent attention focused on more narrow and special problems: the Dust Bowl, the Tennessee Valley Authority, and beginning in the 1950's legislative proposals for aid to distressed areas which eventually became operational programs with the coming of the 1960's.*

The key difference was that these recent programs were problem-oriented and remedial. They sought to correct what were viewed as occasional aberrations in the national system, whereas the concept of a national territorial development policy (commonly called these days a "national growth policy") seeks to guide and structure the overall system, recognizing the interdependence of its parts. It takes initiative

* The two exceptions to these partial approaches are interesting. The National Resources Planning Board of the 1930's tried to conceive of these issues in terms of a broad national strategy, but it was almost without influence on events. The Federal Highway Act of the 1950's had a powerful effect indeed on the shaping of the nation, but its implications as part of a national growth strategy were not fully recognized.

in defining alternative futures and bringing about the more desirable ones, instead of limiting itself to the correction of occasional undesired circumstances in particular elements.

As the theme of a national growth policy is being revived in this country, several fundamental questions are being raised: can public intervention at the national level significantly affect the shape of the future? or is the play of market forces so strong that the results of government's intervention would be trivial? If meaningful public action is possibly, what should be its objectives? Do we know enough to say what it is we want? It is this last question that this paper will deal with.

Balanced Growth as the Stated Objective

Even the most casual examination of the technical literature and the public debate on a possible national territorial policy shows that its objectives are unclear. We lack those dominant themes that shaped policy in the 19th century: the terms of trade between the industrial North and the agricultural South, the grand issues of social structure involved in slavery, Reconstruction, and the Homestead Act, the taking of the West and Manifest destiny. Instead today we refer to particular problems, such as those of distressed areas, of fiscal crises, of central cities, or of ecologically threatened environments. Real as these problems are, a collection of programs to deal with them does not amount to a national growth policy unless they are articulated into a common framework. The need for a national territorial policy is posed because problems of this magnitude cannot be tackled independently from one another: their very magnitude means that they shape and are shaped in turn by the system as a whole.

Yet, we have today no clear statement of the purposes of a national policy, and even less of an operational set of performance indicators to judge the effectiveness of particular programs in the service of such a policy.

This paper will seek to contribute to the clarification of this issue. As a point of departure it will take the concept of "balanced growth" which has been frequently advanced as the national purpose of a national growth policy. It is mentioned either explicitly or in a close

approximation, for instance, as a principal purpose of the Agricultural Act of 1970, the Housing and Urban Development Act of 1970, the Rural Development Act of 1972, and of several of the major legislative proposals now before Congress. On the Executive side, it appears in the 1970 and 1971 State of the Union messages, in the Report of the White House National Goals Research Staff (*Toward Balanced Growth: Quality with Quantity*, 1970), and in the Report on National growth transmitted by the President to Congress in 1972. It is also mentioned in untold numbers of writings ranging from daily newspapers to government publications and some recent court decisions.

Although the term "balanced growth" is thus broadly used and even codified into national legislation as a policy objective, no clear description of its meaning can be found. A review of its usage in numerous statements and publications reveals that diverse users imply by it quite different meanings: racial balance, a more even income distribution, avoidance of excessive concentrations of population, or of excessive dispersal, or of migration, or of population decline, or of ecological deterioration. Recurring themes associated with it are those of population distribution and of the preservation of the life-style of non-metropolitan America. These themes are strongest in formulations associated with the Department of Agriculture, which stressed the concept of "urban-rural balance"* as early as 1967. Similar concepts are found in the 1972 Rural Development Act and the Administration and Congressional statements that accompanied its passage. In a statement rare in its explicitness, the President is quoted in the 1972 Report on National Growth: "the growth which this Nation will inevitably experience will be healthy growth only if it is balanced growth--and this means growth which is distributed among both urban and rural areas."

In brief, then, there exists now neither a technical meaning nor an explication in law of the meaning of an objective of "balanced growth." A linguistic approach, trying to identify what people mean by the term when they use it, is only slightly more helpful, although it

* See its publications *Communities of Tomorrow* (1967) and *National Growth and its Distribution* (1968).

does indicate some recurring concerns.

A review of European and socialist literature on this subject indicates that such a vague statement of purposes is by no means an American monopoly, although often other terms, such as "harmonized," "correct," "concerted," "organic," and the like, substitute for "balanced." One is led to the conclusion that either or both of the following are true: (a) there is no clear vision of the purposes of the policy, and therefore vague terms are used; and/or (b) the issues involved in such a policy are essentially distributional and so fundamentally wrapped in conflict as to who gets what that more explicit statements of meaning are avoided.

There are few exceptions to these generalizations. It is therefore worth noting a recent Swedish report, *Balanced Regional Development*,* prepared by an Expert Group for Regional Studies appointed by the Ministry of the Interior to provide a basis for the formulation of future regional policy. This report, the product of five years of work, is one of the most clear and explicit available on this subject.

The report begins with an excellent empirical review of Swedish development tendencies and of the factors influencing regional development, organized by business and public sectors and by population. It devotes particular attention to the problems of large urban areas and of sparsely populated regions, together with an evaluation of alternative policies in terms of their consequences.

This applied research is linked with a particularly thoughtful discussion of the aims and means of regional policy. It cites the Swedish Riksdag's 1964 statement of the principal objectives of regional policy:

1. That the national capital and manpower resources become fully utilized and distributed in such a way that rapid economic progress is promoted;
2. That the growing prosperity is distributed in such a way that people in different parts of the country are offered satisfactory social and cultural services;

* E.R.U. (Expert Group for Regional Studies), *Balanced Regional Development*, Statens Offetliga Utredningar 1970:3; an extensive English summary is available in mimeograph.

3. That the structural changes and the economic expansion proceed under such forms and at such a rate that the security of the individuals is protected;

4. That the defense of the country is facilitated.

It compares these objectives with other statements of national objectives and concludes: "From this it seems clear that what regional policy is aimed at is essentially nothing but to realize in a geographic dimension what are generally regarded as the main objectives of the economic and social policy of the community. The above objectives of regional policy may, generally speaking, be characterized as spatial interpretations of the general objectives with the principal stress on rapid economic growth, full employment and a satisfactory distribution of income and prosperity."

The report does not offer an explicit definition of "regional balance," but it uses the empirical analysis together with the formulation of objectives to arrive at a serviceable identification of *imbalances*. These arise when there are mismatches of supply and demand of labor in different regions, or excessive capital requirements, or insufficient provision of services in sparsely populated areas, and so forth. In effect, imbalances are impediments to the stated objectives of economic growth, of equitable distribution of goods and services, and of providing for the well-being of those affected by shifts in the economic structure in the pursuit of these goals. By implication, then, balanced growth is the course of national development which avoids these imbalances.

The general approach of this Swedish report parallels in large measure the conclusions which will be offered later in this report, and therefore not much more detail will be offered here. However, it is worth noting that the orientation of the Swedish report may be termed that of economic geography, and that some of its faults and its virtues stem from this. Thus, it draws a very valuable distinction between the relatively short-term problems of dealing equitably with those affected by major economic shifts (such as the decline or relocation of an important industrial sector) and such long-run objectives as the improvement of production conditions in selected declining regions. But it does not fully deal with the possible conflict between the objective of

rapid national growth and the objective of interregional equality, since the assumptions of economics imply that the former objective will lead to a full utilization of resources (including human resources), thus in the long run satisfying the latter objective. Finally, it does not deal with two national objectives which are important in contemporary American discussions of these issues: the objective of environmental integrity and the more diffuse objective of preserving or enhancing certain aspects of the quality of life.

Nonetheless, while this Swedish document does not answer all the questions, it does provide a benchmark for the present American effort, representing as sophisticated an approach as has been developed in a mixed economy.*

* The socialist countries would find no difficulty accepting the Swedish set of objectives, and have several times formulated comparable ones. However, their planning, which is generally far more comprehensive and detailed in its micro-economic elements, stresses other forms of "balance" (such as "material resources balances") which are not germane to this discussion.

III. ALTERNATIVE APPROACHES TO BALANCED GROWTH

Most statements concerning "balanced growth" have stressed the demographic dimension exclusively, and in this respect they are unsatisfactory because they fail to relate clearly demographic circumstances or objectives to public purposes. Aside from these demographic approaches to balance, there have been few attempts to specify balance in terms of functional balances, defined in terms of the structure and dynamics of territorial aspects of our societies and in terms of some set of national objectives. The Swedish E.R.U. report is an instance of the latter approach.

Although demographic approaches to balance are unsatisfactory now and certain to remain so, they are used so commonly that a discussion of some of the variants of this approach is necessary. Later in this section there will be an introduction of the functional balances approach, to be developed further in later sections.

Demographic Approaches to Balanced Growth

The prevalence of the demographic approach is undoubtedly due to its apparent simplicity. Lack of balance is claimed when some places grow more slowly than the national average, or when population appears to be overly concentrated, or when population declines in certain districts. Not only are such statements flawed because their apparent clarity is deceptive, as will be illustrated below, but because they refer to things as they are rather than as things as we would have them. In other words, these statements are descriptions of conditions which have no necessary implications for action. For action requires purposes.

The most naive form of the demographic approach points to a region or district that lags with respect to national averages, implying that this means that we should bring it up to national norms. This is obvious nonsense in its literal form, for if such a policy were adopted and were effective, the national distribution of population would be frozen as of that time. Would we want forever the national distribution of population of 1970? or of 1910? or of 1790? Clearly

not, for change and evolution are the essence of a modern nation. Yet if no region can lag, no region can lead, and every region is locked into step.

This approach to the definition of imbalance becomes even more preposterous when we note that local rates of natural increase range from zero population growth rates (and even failure of replacement) to very high rates that are normally associated with underdeveloped countries. A locked-step policy would therefore imply quite substantial rates of migration from fertile to infertile places for the sake of maintaining this arbitrary balance. Therefore, different rates of population growth do not, of themselves, argue that there is need for public action.

Other demographic approaches to balance, while less transparently untenable, also prove unsatisfactory. Perhaps the most frequent form of the demographic perception of imbalance is a concern for the depopulation of rural areas and small places and the presumed excessive growth of large urban areas.

This concern may yet prove correct in many cases, although the present writer is skeptical of it in this form. The difficulty is that population decline of a district may often be an excellent thing both for those who leave and those who remain behind. A great many recent studies seem to prove that those who leave as a rule improve their material lot substantially, without imposing disproportionate welfare or other burdens to their destination.* For those who stay, we have less systematic information, but it seems reasonable that, if the problem was one of labor surplus, those who remain improve in terms of relative scarcity, and hence get better jobs and higher income than they would have in the absence of migration. It is even possible that declining local indices of welfare (such as per capita income) may mask a real personal improvement since the statistical composition of the population of the remaining population has been shifted downward (it is usually the better educated and more enterprising of the young who leave), and hence the local averages may drop while the real people

* It must be noted, however, that attitudinal studies often reveal a wish to return.

remaining are better off.

The preceding discussion of decline is admittedly speculative. The point is not whether decline is good or bad (it is undoubtedly one sometimes and the other other times), but even that absolute population decline per se is not necessarily a bad thing requiring federal intervention. Later in this paper we will distinguish certain criteria and circumstances where decline calls for national action, but this is not because of decline itself but because of what decline does to particular people. It is worth mentioning here that there has been very little study of these concrete effects, and that this is a prime area for research.

The other side of the coin concerns the excessive growth in population of certain areas. This concern, while frequent in the United States, has not assumed the dominant role it has in policy formulation in other countries. The implication here is that certain places have grown too big, and that it would be in the national interest to curtail their growth. This complements the arguments for keeping up the population of smaller places by protesting against the development of "human anthills."

The question here is with respect to what is their size excessive. Although conventional wisdom holds that big metropolises are excessively big, a considerable body of social research in recent years has questioned this. Regarding their presumed economic inefficiency: it appears that larger places are more productive. It has questioned whether they generate greater inequality: it appears that they do not, either internally within themselves or among regions in the country. It appears to have debunked arguments that increasing urban size leads to greater population density, which in turn leads to socially pathological conditions. It appears that there is no relation between population density and social and personal problems in any way that can be considered causal. Further, densities are declining by almost every available measure. Although local environmental conditions appear to worsen with urban size, the relation is not a strong one. The remaining major concern, that dealing with preferences of people for the life-styles of alternative urban sizes has not been seriously studied, and remains the province of rhetoric.

In brief, combating excessive concentration of population is not a reliable national policy objective: first, it is questionable whether the increasing concentration of population is a fact; secondly, unless the term "excessive" is related to some criterion, it has no meaning: excessive for what?; third, it appears that by most current evidence and the most obvious purposes, current major urban concentrations are not excessive. Nonetheless, the conclusion is not that we need not worry about population concentration, but that it is necessary to relate that concentration to some desired or undesired consequences before it constitutes a valid object of national policy.

It must be noted that in recent years concern about excessive size has been a subnational phenomenon. Reversing the American tradition of boosterism, several states and localities have now adopted or are seriously discussing varieties of no-growth policies. Review of the current available knowledge as to whether growth hurts or benefits localities shows that there is no clear answer: we simply do not know. Most likely, there is no simple answer, in the sense that growth may help some and hurt others *within* the locality. But, whether or not local interests would suffer from further growth, if localities can close their borders to potential future arrivals, they will be undoubtedly depriving those *outside* the locality of whatever advantages might have attracted them. Insofar as the federal government is the representative of the interests of all of the nation's people, it must consider the hurt that present inhabitants of a locality may impose on possible future inhabitants. Therefore it seems likely that national and local interests will conflict in cases of local no-growth policies. We shall return to this matter in Section VI, citing some relevant court decisions. For the moment the point is that, although the focus of this paper is on national policy, if beggar-thy-neighbor local policies become prevalent, federal action may be necessary in response.

A particular variant of excessive population concentration deserves mention. This is the argument that it is not the size of a human concentration that matters, but its rate of growth. Obviously, the shock of adjustment may be greater if more and more newcomers are being absorbed. Yet there seems to be no serious studies of this question, and no estimates of what rates of growth are excessive, or in

what terms this excess is felt.

To summarize, the demographically defined "problems" of size and of growth and decline are not in themselves problems, although there may be, sometimes or always, grave problems associated with them. National policy should be directed to these problems themselves, not to the demographic statistics since these in themselves are neutral.

Another version of the demographic approach to balance growth holds that a proper objective of national policy is the reduction of migration, particularly out of rural and small urban areas. There are however, many difficulties with such an approach. If it is taken literally, many areas which have difficulty providing a livelihood for their present level of population would find their inhabitants doubling every twenty years from natural increase. Obviously it would be much harder to provide a livelihood for so many more. But a total elimination of migration is not only impossible, but also unimaginable for a nation whose history is one of vast population movements and which is still in the process of vigorous evolution. Rather, what might be meant is that migration, either overall or in certain cases, is excessive and should be reduced.

The argument that migration overall is excessive is normally based on a belief that such movements weaken the sense of community and deprive the individual of roots, leading to suffering, sense of loss, impoverishment of individual lives and to the prevalence of many social disorders. This may be the case, but present rates of population movement appear no higher than they have been throughout American history, so that it is not a valid explanatory variable for present-day phenomena. Even if the rate were judged too high, there appears to be no basis on which to base a target reduction: by 10 or 50%? Neither has a feasible set of public actions been proposed that would further such an objective without massive and undesirable side effects.

A better case has been made that the migration rates are excessive in particular cases, as in the migration out of distressed areas or into urban areas. Although often confused, the general argumentation for these propositions is well known and will not be repeated here except to note once again that if the migration is excessive, it is not as a statistic in itself but in its consequences. It must also

be noted that much recent social science research has been upsetting conventional perceptions of such migrations and their consequences. For instance, several researchers find that the rate of gross outmigration is no higher out of distressed than out of prosperous areas, and others find that rural to urban migrants account for a far smaller proportion of urban growth and urban problems than is commonly believed. Thus it appears that the migration rates themselves are poor indicators of the true problems which concern policy makers and the public.

In summary, the demographic approach to the definition of balance appears to be an easy handle, but is really a most slippery one. At best it can only serve for formal description of population distributions and population flows. The real question is what these mean in terms of what we want as a nation. Policy for balanced growth must be defined in terms of the structure and dynamics of the society in the context of national goals.

Two particular dangers of demographic approaches deserve special mention since they have often been not only the source of confusion but of flawed policies.

The first of these is the question of the grain or scale of regional definition. The smaller the area considered, the greater the variability of growth and the rate of in and out migration. Every indicator will show more variability if measured by counties than if measured by states. Regional boundaries can be intentionally or unintentionally gerrymandered to raise or lower indicators, and thus qualify or disqualify a region. A distressed area served by a successful growth center within it may be viewed as being on the road to recovery, staunching perhaps the net loss of population. But the very success of the growth center may depopulate the periphery of that same region, so that the problem would appear to be worsening if a finer regional disaggregation were used. Similarly, statements about whether the national population is becoming more concentrated are always at the mercy of the units of measurement, and any competent geographer can show with equal honesty that the population is either concentrating or dispersing, according to the criteria used.

The point here is that the regional definition is not neutral, and that arbitrary definitions will give arbitrary results. Thus the

definition of regions must be a functional one, in terms of the actual ranges of social and economic interaction and in terms of the goals and problems involved. This suggests that for many socio-economic problems the proper regional units are labor market areas (such as the Functional Economic Areas), but that different problems will often call for a different definition of the regions if they are not to lead to misdiagnosis and erroneous actions.

The second point concerning demographic approaches to balanced growth is that they often fall into a geographic fallacy, confusing the prosperity of places for the prosperity of people. Thus, our present policies concerning distressed areas do not recognize the possibility that population decline may often be an indicator of health and successful adaptation. This will not always be the case, but it often is. Even such indicators as rising per capita income may frequently be misleading to judge the success of programs for distressed areas since they may be not a manifestation of improvement in the conditions of the original population but the statistical consequence of an influx of highly paid workers from outside as a result of the government's programs. Perhaps the most pervasive usage of the geographic fallacy was as a justification of the success of urban renewal programs, which resulted in massive substitutions of populations and claimed the better conditions of the new arrivals as if they were improvements in the conditions of those removed.

This second point is, briefly, that national policy must concern itself with the well-being of people, not (in the language of *Baker vs Carr*) acres or trees; it must define its problems and purposes, gauge its indicators and keep its accounts in terms of people-prosperity, not of place-prosperity.

A sad consequence of the demographic approach to balance resulting from these fallacies is that it has been almost without exception unwilling to consider that population decline may be a form of balance rather than evidence of imbalance. Hence, it has led to a general strategy of population maintenance, to try to reverse these trends in virtually all cases. While such decline may be reversible in some cases, the overwhelming majority of opinion by scholars in this field is that such local decline is an integral part of the phenomenon of

continued national development and that it is neither feasible nor desirable to reverse it everywhere. In many localities, as we have argued, it is evidence of successful adaptation to change and does not call for public intervention. In other localities it may cause great hardships and yet not be reversible; there policies of aid to facilitate the transition are called for. Finally, in some localities population decline may be both undesirable and reversible; it is in these that approaches similar to those which have been employed for "regional development" are indicated.

Demographic approaches to balance have failed to come to terms with the realities of local population decline, and have resulted too often in wasteful and tragically disappointing policies of universal population maintenance. A functional policy of balanced growth must take a realistic perspective of the varieties of decline. It is perhaps the greatest practical difficulty for the formulation of a national growth policy that thinking on this matter has been so distorted by a rhetoric deeply rooted in our traditions of growth, and further warped by narrow conceptions of political interest which are often misperceptions.

Functional Approaches to Balanced Growth

By contrast to the descriptive or formal approach of the demographic approach, functional approaches stress that balanced growth depends on the interaction of the structure and dynamics of the society and the purposes of national policy. In the case of national growth or territorial policy, the focus is on the spatial dimensions of the social system and of the social purposes. Balanced growth consists of guiding a dynamic and evolving social system to conform as closely as possible with social objectives.

Balance, which is a synonym for harmony and symmetry, consists of a relation between what is and what is wanted. Imbalance is a contradiction between what is and what we want. That much is fairly simple, but becomes very complicated upon examination. Balance also requires a resolution of contradictions among the things we want since there is no single purpose. For instance, if we want more equality, we may have to sacrifice some economic growth for it. Balance in that

case involves a consideration of how much of one we are willing to give up for how much of the other; and since the necessary trade-off between them is set by the reality of the social system, balance is a dual one between purposes and reality and among purposes.

The trade-offs among objectives are not in themselves a fundamentally technical matter, but a political one. To be sure, technical analysis may serve to clarify choices, and canvassing may have some role in revealing preferences. But ultimately the process of choice in contradictions and uncertainties is a political one. In the following sections we will discuss what appear to be the five basic goals of national growth policy, and some of the aspects of planning. But throughout the emphasis will be that, in trying to reconcile purposes and reality, centralized technical planning plays a valuable but limited role. The political process is not just a burdensome necessity, but an integral part of effecting balance..

In mixed economies, such as the United States, the basic view is that the society is basically a self-regulating system, operating primarily through the market, and that it does well enough on the whole to be largely left alone. However, imbalances calling for public intervention occur when the system malfunctions in some way from the point of view of social purposes. This may occur for two types of reasons. The first is that the market often fails in the sense that the price system does not fully reflect the costs and benefits accruing to the participants. This is the case, for instance, of positive and negative externalities.

The second is a more subtle one. It is that the market does not exist as a natural phenomenon. It is a social phenomenon which operates in a man-made environment of rules and institutions. No market system is free in the sense that it operates in the absence of this societal matrix. Yet the matrix sets the rules of the game according to which the market operates. If this matrix is unsatisfactory, it is often possible to change it. This does not necessarily make the market any more or less free: it merely changes the rules according to which the game is played. Thus, the fact that most consumers, because of our reliance on property taxes, find themselves paying about a 30% consumption tax on housing, compared to about a 5% consumption (sales) tax on

most other goods, has a profound effect on their lives and on the structure of our economic system. Similarly, the compartmentalization of fiscal revenues and expenditures by small districts (schools, municipalities, states, etc.) creates certain incentives for them to seek certain types of people, property, and activities, and to avoid others. Shifts in revenue sources, redefinition of districts, and so forth, would very much affect the behavior of these local governments and the distribution of growth in the society. Any game or market system plays according to rules, and these can often be changed in significant ways.

In the coming sections there will be an extended discussion of the social purposes involved in a national growth policy (Section IV), a brief discussion of selected aspects of the national reality (Section V), and a discussion of some aspects of policy development and evaluation (Section VI), which will include a discussion of the relation of technical planning to political process and a consideration of the institutional matrix, limited to the consideration of implicit territorial policies.

Before leaving the definition of functional approaches to balanced growth, however, two variants should be reviewed briefly: the first may be termed the automatic approach to balanced growth, and the other the balanced growth theory of development planning theory.

The automatic approach says in effect that the market works well enough and that no intervention is needed. Capital will seek the areas of greatest return, as will labor. The flow of capital and the migration of labor will result in the most efficient system. At the same time, if the market is allowed to work unimpeded through the system of prices and interest (discount) rates, it will insure that production factors will be paid a full and uniform price throughout the system. In the case of labor, this means that the market will operate to eliminate disparities in earnings. According to this view, then, a national policy is not needed, and public interventions are only required where some irrationality prevents the market from operating smoothly. All that is necessary is for labor and business to continue to maximize wages and profits, and for public projects to be evaluated one at a time along the lines of cost-benefit analysis.

Whether this view is correct is a matter of degree, but its

essential correctness would mean that there is no need for a national growth policy, nor indeed for any government policy. The areas of criticism of this view are too many to detail here, and many of them too technical, but some brief review is necessary. Within the economic realm, a fundamental criticism is that the geographic distribution is the result and the product of important negative and positive externalities (including agglomeration and scale effects) which are not reflected in the price system, so that exclusive reliance on the market will result in inefficient (unbalanced) equilibria. Further, the mobility of factors, principally labor, is quite slow and imperfect in real time, because of limitations of geographic, skill, and industrial transferability, of age, of imperfect information, of risk-aversion, of discrimination, and so forth. Thus the basic assumption of equilibrium, with its instantaneous adjustments and full information, is not a true reflection of reality. Similarly, the use of capital and natural resources may be flawed if private interest and discount rates differ significantly from the social rate of discount. Finally, public action in a massive scale is an unavoidable reality in such obvious ways as the highway system and other forms of infrastructure. These interventions cannot be evaluated in the conventional one-project-at-a-time cost-benefit calculus for many reasons, one of which is that they are too large (especially at the local level) to preserve the assumption of their marginality, so that their significant effects upon the parameters of the system cannot be ignored. Further, many of these public interventions are to some extent public goods (in the technical sense) so that they contribute to the failure of the pricing system, while in another sense they usually result in vast redistributions of costs and benefits.

The non-economic objections are also many, although quite a few of these can be reduced to economic terminology, even if not to operational analysis. Thus, economics tends to view the individual as the unit of preference. It is however felt by many that there are community and even folk concerns which are not simply the sum of individual preferences. Such may be the case, for instance, for certain communities in Appalachia, or for Indian or black populations. In other words, the automatic approach views society as constituted of individuals and ignores the organic unity of certain social groups. Further,

theoretical economics has not developed truly useful approaches to resources, either in their utilitarian sense or more especially in their ecological and aesthetic sense.

Finally, even in its own terms, such an approach cannot ignore the existence of grave inequalities today. Even if it is granted that the continued unhampered play of the market would in some very long run reduce or eliminate these inequalities, does this mean that there is no choice but to wait? Would not a somewhat less efficient distribution of resources be acceptable to reduce these disparities earlier?

The rejection or acceptance of the automatic view is, of course, a relative one. If the automatic view is totally rejected, the necessary conclusion is that everything must be centrally planned since there are no acceptable self-regulating mechanisms in the society. At the other extreme, if the automatic view is accepted in its entirety, there is no need for national policy or intervention in territorial or any other issues. While no one would take such an extreme position today across the range of national policy issues, it is argued by many that there is no need in the United States for national territorial policy. The argument is that the market is working well enough for private decisions, and that the sensible evaluation of public actions one at a time on their own merits is sufficient.

The automatic view of balance is rejected in this paper on two principal grounds. The first is that those who espouse the automatic view to reject the need of national territorial policy confuse the assumptions of neo-classical economics with reality. Anyone looking at reality in this country today can plainly see that we do not live in the best of all possible worlds. There exists wastefulness, inequities, environmental abuses, and dissatisfaction with the quality of life. It stands to reason that we would want to apply intelligence and energy as a nation to correct these imbalances. The second reason for rejecting the automatic view on territorial issues is the fact that a great deal if not all of national policy addressed to issues other than territorial has profound territorial effects, which cannot be said to be merely the functioning of a free market. These unintended territorial consequences of public actions amount to implicit territorial policies. Without explicit consideration of these consequences, it takes faith in

miracles to think that things would result as we would wish them.

The other variant of functional balanced growth that must be mentioned here is that of the literature of economic development theory. This has been developed primarily in the context of planning for developing countries, and is quite simple in its main premise. It holds that in a developing country there are some industries that can and should grow at an accelerated pace. In order to do so, other industries related to these leading industries by forward or backward linkages must also grow in some necessary proportions. Conversely, therefore, some industries not involved in these links will grow more slowly or may even decline. This approach thus calls for sharply different growth rates in diverse sectors of the economy. Although the literature does not focus on the territorial issues, it clearly similarly implies sharply different growth rates for diverse regions. Thus, in spite of the similarity in names, the balanced growth strategy of economic development theory calls for diversity in growth rates, in contrast to the evening of growth rates implied in much of the current American discussion of national growth policy, especially in its demographic versions.

Although in practice the balanced growth strategy applies to the simpler economies of developing countries, its logic can and does apply to some degree to developed countries. Thus, some socialist countries formulate their middle-range economic plans with stress on the development of particular sectors of their economies, and use input-output and related techniques to plan the needed development of related sectors. In some cases, by regional disaggregation of the input-output tables or other techniques, they translate the consequences into territorial terms. Some mixed economies, notably the French, similarly provide territorial slices of the national plans. In the French case, although the process has many imperfections, the technical plans are prepared by a secretariat, but this technical information is used as the basis of negotiations and agreements by representatives of industry and other sectors, including regional representatives. This mixture of technical planning and negotiation and agreement by interest groups is called "indicative planning," and carries important lessons (many of them negative) for the mixture of technical and

political development of territorial policy that will be discussed in Section VI.

In the United States, where comprehensive middle-range sectoral planning is not done, there is not the basis for the generation of a fully articulated set of sectoral and regional projections. Nonetheless, there increasingly exist in this country sectoral projections, and even sectoral plans. There exist as well national and regional sets of input-output tables, resource inventories, demographic and other data which make it possible to conceive of analysis of the territorial consequences of some if not all of the sectoral analyses. In our case, however, the regional implications would more often refer to projections than to plans. Nonetheless, the basic idea is feasible that sectoral and territorial aspects can be followed through in many cases for consistent plans or forecasts. Some suggestions for a modest beginning in this direction will be made in Section VI.

IV. PURPOSES OF NATIONAL GROWTH POLICY

There does not appear to be available a statement of the purposes of national growth policy that would provide more explicit dimensions to the concept of "balanced growth." The listing and discussion that follow are a synthesis of academic and lay discussions of possible national purposes for such a policy, and are believed to represent the spectrum which would receive general consensus, although some of these purposes are often ignored.

Many of these purposes do not have agreed-upon labels, and the crude ones proposed here are for convenience. The actual purposes are discussed in greater detail in the pages following. The list of purposes of a national growth policy is:

1. National prosperity
 - a. Efficiency
 - b. Development
 - c. International trade position
2. Equity
 - a. Equality
 - b. Fairness
 - c. Relational measures and group definition
 - d. Structural problems
 - e. Short-run compensation problems
3. Quality of life
 - a. Concrete needs and conditions
 - b. Consumer preferences and preferred life-styles
 - c. Sense of self and community
 - d. Ethnic and cultural identity
4. Environmental integrity
 - a. Recognition of externalities
 - b. Recognition of social time-preferences
 - c. Establishment of capacities and limits
 - d. Provision and preservation of merit goods
5. National security.

This listing is, quite clearly, similar to any listing that might be made of national objectives without reference to regional or

urban problems. This is because national growth policy is the territorial dimension of national policy in general. While specific objectives of national growth policy may be specified in geographic terms, its purposes are the general ones. Attempts to formulate the purposes of national growth policy in purely territorial terms, which have been frequent, will always be shallow because they will miss the interconnectedness of the territorial dimension to the other dimensions of our social system.

The following pages of this section discuss these various national purposes with special attention to their territorial aspects. Although they will be discussed in sequence one at a time, it is important to remember that they are all important national purposes, and that national policy does not seek to optimize each of them, since the highest level of any one may carry as a concomitant unacceptable situations for the others. Rather, national policy must seek to balance these diverse and often contradictory goals within the limits of the choices available in terms of the national reality. It may seem obvious that where there are multiple objectives within the constraints of the possible, it is not within the human condition to optimize with respect to all of them. But until recently, national legislation enjoined the U.S. Department of Commerce in dealing with economically distressed areas to perform the impossible task of maximizing simultaneously the objectives of equity and national prosperity.

National Prosperity

This is perhaps the best understood and most developed national objective in terms of definition and measurement. It is, operationally, the maximization of the Gross National Product and its rate of growth, and its purpose is to maximize the level of material abundance and physical well-being of the national population as a whole.

This objective is often called the "efficiency" objective in the technical economic literature. Here, however, it will be divided into three distinct parts, of which the first, "efficiency," corresponds most closely to the approach of academic economics. The second, "development," stresses the sources of dynamic economic change. The third, "international trade position," deals with the interaction of

the nation's external economic relations with its internal structure. These subdivisions of the general goal will be discussed in the following pages.

Before entering into this discussion, a general disclaimer is needed. The general concept of economic growth has been the subject of considerable criticism recently. Much of this has stemmed from an opposition to economic growth as such, based on environmental or ideological concerns. Much of it has been of a more technical nature, pointing to flaws in the method of measurement such as counting some of the costs of cleaning pollution or medical costs as national product, but not cleanliness of the environment or health. However important these issues, they will not be discussed here. They certainly involve territorial considerations, but if growth is to be eschewed, it will not be primarily on territorial grounds. Similarly, the issues involved in definition and measurement are so general and widespread, and so extensively discussed, that it would not be useful to discuss them here.

Within the general goal of prosperity there is a sub-goal of *efficiency*, by which we mean the most productive distribution and deployment of resources (including people) in terms of the available technology and institutions. This purpose would be served, for instance, if we acted on the knowledge that certain industries consume fewer resources for a given level of production at certain locations, or that infrastructure and other costs are lower for certain urban sizes. The criterion also implies that all resources would be put to work at their most productive use, with none wasted. This means the elimination of structural regional unemployment or underemployment in distressed areas by whatever combination of bringing in industry or encouraging outmigration is most efficient. This criterion would maximize national production, if perfectly executed, because every last bit of human and natural resource is put to its highest marginal use, both in terms of industry and of location.

This goal is extremely important because there is considerable evidence that the productivity of many factors varies with their location and the size of concentration, although the nature of the interdependencies involved and even their interpretation are the subject of

considerable debate. In other words, it is known that the distribution of population and economic activity affects national product significantly, but there is no operational way in the present state of the art to make firm estimates of the magnitude of difference of alternative configurations.

It is worth illustrating this point in one area of debate. It has been noted by several researchers that income or wages increase systematically with urban size, even after account is taken of such factors as education and industrial composition. Some scholars, the writer included, have viewed this as evidence of the contribution of large cities to the national efficiency goal. But others have argued that this difference is evidence that large cities are unpleasant to live in and that the difference is a bribe ("disamenity premium") to workers to put up with those conditions. Hence, they argue, these wage differentials should not be included in national income since they are a measure of ill-being rather than well-being. The point is far from trivial: the adjustment to GNP has been estimated at 5%.

The example is not clean in that it mixes two criteria in the present formulation: efficiency and quality of life, which will be discussed below. But it is presented here both because it deals with a central issue of national growth policy (the issue of city size) and because it points to the distinction between efficiency and *development*.

The "disamenity premium" interpretation makes the usual assumption of economic analysis that the economic system responds promptly (even instantaneously) to price (and wage) signals of the market. Therefore it assumes that workers everywhere are about equally satisfied, for otherwise they would have migrated. Thus wage differences must be payments for some unpleasantness.

The alternative, or developmental, view is that in reality all factors of production, including labor, move rather slowly in terms of real time, so that there will be important leads and lags in adjustment, which in a dynamic system may be permanent. In this view, all or a large part of the difference in wages would reflect comparative advantages of location.

The key differences between the efficiency and the developmental

dimensions may be viewed either as complementary but distinct views of the economic process, or as short- or long-run strategies in the pursuit of national prosperity. In the efficiency view of the economic process, present technology and institutions are essentially taken as constant. In the normal equilibrium theories of economics, on which techniques of measurement or evaluation are based, it is assumed that the system is working very well. That is to say that it may be assumed that all factors are at or near their optimal allocations. In theoretical terms, the assumption of equilibrium amounts to one of statics, or of infinitely rapid adjustment of all factors to changes. These are obviously simplifying assumptions, but their power is that they make feasible the concrete analysis of many efficiency issues.

The developmental view stresses instead the evolution of technology and organizations, and views the system not as in the instantaneous equilibrium of a system of simultaneous equations, but rather as a complex counterpoint of leads and lags. Rather than the static equilibrium of a mechanical construction, developmental processes are more similar to the interacting swirlings of liquids of different viscosity.

Although there are important exceptions, the efficiency goal tends to be in terms of relatively short-run considerations, since it is framed within a matrix of today's institutions and technologies, while the developmental goal looks toward a longer run in terms of the evolution of institutions and technologies.

The importance of the developmental view for territorial issues is buttressed by a great many studies which show that the sources of innovation are concentrated, usually in great urban centers, where new inventions and new ways of organizing people and things spring up time and again. These innovations diffuse rather slowly and unevenly to other parts of the nation, often at intervals measured in terms of decades. This process of renewal and redefinition in what we do, how we do it, and where we do it, has been an intrinsic theme of our national history, which has been thoroughly documented.

It is important to recognize the process of innovation and the diffusion of innovations. For instance, economic projections for large urban centers are always alarmist: they continually see that many of their activities are leaving for smaller and more distant locations as

they mature. What these projections ignore is that, at least in the past, these great centers have really been in the business of innovation rather than production, and that as mature activities leave them, new ones are spawned to take their place. Thus the pessimism of these projections is largely the result of mechanical techniques of forecasting that look at the industries that have existed rather than at the ones that are coming into being. The higher wages and incomes may be due to their comparative advantage at the fountainhead of innovation rather than to "disamenity premiums." Conversely, manufacturing, which is today a mature and rather laggard sector, finds most of its new jobs being created in small and even non-metropolitan centers. Thus, when some regions which had been lagging succeed in attracting manufacturing industry today, this is not the result of their being in the vanguard of the nation's economic development. Rather, it is evidence of their being in the lower reaches of the filtering-down process. (This will be discussed further in Section V.)

A particular developmental challenge for national growth policy is posed by the fact that we are in a postindustrial period, by which is meant that it is the service sector rather than manufacturing which is the faster growing. Although we know less about the locational dynamics of this sector, it appears that, while services continue to concentrate in urban areas, we are now witnessing the beginning of a process of diffusion comparable to that of manufacturing, as many service activities, such as information-handling for credit card and hotel reservations, are locating in centers further down the urban hierarchy.

The preceding has been an impressionistic description of the spatial dimension of the filtering process of development of urban activities. Development also takes place, perhaps even more profoundly, in rural activities, and has as an integral part the geographic and economic movement of population groups, which will not be discussed here. But an example may make vivid what is meant by development. In the beginning of the nineteenth century, it was said derogatorily that New England was characterized by ice and stone. Within a few decades, as a result of Yankee inventiveness, exports of ice and granite were staples of the regional economy. The development of these industries in turn profoundly affected dietary habits and architectural styles

throughout the nation. Whereas efficiency is the doing very well of what we have been doing, development is the doing of new things.

Clearly it is national policy to encourage development. Our level of national prosperity is not due so much to additions to capital or more efficient ways of doing old things, as it is to the doing of new things, many of which were unimagined before.

The difficulty, it must be recognized, is that it is difficult to plan for development because, in its nature, it involves the unexpected. In Section VI brief reference will be made to technological forecasting, and throughout this report emphasis is laid to the transition to postindustrial society. Further, matters such as the location of universities and research and development facilities, facilitation of the diffusion of innovations, encouragement of risk-taking by insurance and tax mechanisms, and other steps can clearly be seen as affecting the rate and location of development, and as possible instruments of national policy. But in the end it must be recognized that the developmental aspect is more difficult to handle than that of efficiency within the national prosperity goal.

The other side of the coin is national policy to adapt to the consequences of development, past and future. Because there are often such great lags in response to new circumstances (contrary to the assumption of the instantaneous adjustment to new equilibria), an important aspect of national territorial policy must be to facilitate and accelerate these adjustments. Many of these steps, such as the retraining of workers and aids to the mobility of people or jobs, are adjustments that fall within the equity objective, but they may have a secondary developmental impact in determining the social and political acceptability of transitions. Others, such as tax rules for the depreciation of technically obsolete plant and equipment, sources of funds for modern facilities, aids to information diffusion, insurance programs that reduce the risk of adoption, can greatly ease and accelerate the adaptation to the changes of development.

Because of lags, we are still digesting the consequences of past development in agriculture, in manufacturing, in the handling of information, in transportation, and in other areas. National policy should seek to facilitate this lengthy adaptation. Similarly, although

we may have difficulty predicting the exact form of future development, we can be certain that it will take place. The general form of some aspects of future development can be projected, and national action may be taken to anticipate it.

A conflict must be noted between the aspects of efficiency and development within the national prosperity objective. A system which is perfectly organized and distributed for a given set of circumstances, including the prevailing technology, may have difficulty adapting to changes in those circumstances and may stifle the seeds of desirable change. On the other hand, change may impose heavy costs in terms of the effective obsolescence of vast amounts of sunk human and physical capital. Efficiency requires a neat and rational arrangement for the short run; development requires a certain room to move and even some internal contradictions to generate greater growth and qualitative change in the long run. Their relation may be illustrated by a fundamental law of engines: the level of performance which is most efficient is different from that level which is most powerful.

Issues of efficiency and development permeate national territorial policy, often in association with other objectives. One instance of this was the earlier example of the efficiency of different city sizes. Other important issues deal with the economics of resource exploitation, as in the cases of strip-mining or the Alaska pipeline, with the economic returns to migration, with the technology and economics of agriculture, and with the investment and pricing policies of transportation. All of these are instances of matters of territorial policy decisions with vital implications for the distribution of people and economic activities. Conversely, policies of population distribution, such as those for the retention of agricultural populations or the creation of new urban centers to limit the growth of present ones, must be evaluated for their impact on the efficiency and development goals as well as for their advancement of other goals such as those of quality of life and environmental integrity.

A third facet of the national prosperity goal must be singled out, although in logic it might be subsumed under efficiency and development. This is the objective of *international trade position*, which appears to have been generally ignored in recent scholarly American

discussion of territorial issues, although it is a time-honored aspect in such forms as regional concern with national tariff and quota treatment of particular imports.

The importance of the relation of foreign trade to national growth policy is waiting to explode in the contemporary United States. Only some items need be mentioned by way of illustration:

- The filtering-down process of industrial dispersion does not stop at the nation's borders: Japan, Mexico, Taiwan, and many other countries become competitors for jobs with the economically distressed areas of this country. Conversely, European nations and Japan are now beginning to establish production plants in this country to get inside its custom borders. The logic of their location factors may often lead them to distressed areas. Further, the European countries have been relatively successful in the use of regional development criteria as conditions for the establishment of American plants inside the Common Market borders, suggesting that the location of foreign plants may be a promising instrument for the employment problems of distressed areas in this country. The location process of foreign firms is usually visible and negotiable.
- It appears likely that we are entering an era in which massive exports of agricultural products will play an important role in our foreign trade policy. This will have widespread repercussions in the structure of American agriculture, including the quantities and types of land under cultivation, assembly and shipment facilities, and so forth. It is more than likely that second-round effects will be felt in other agricultural commodities (such as meat through price and availability of feed) and in technological shifts and degree of capital-intensiveness of the processes. In brief, internationalization of agricultural markets cannot but have a profound impact on the continued evolution of rural America, and our policies of rural development will shape in part the nature of our response. It is worth noting that the recent grain shipments to China and the Soviet Union may be less important in the long run than trade agreements with the Common Market nations, which today are tangled in a broad range of contradictory protectionist and

subsidized agricultural programs. Although the economics and the politics of the matter are extremely complex, in the long run a liberalization of agricultural trade seems a possibility. Serious proposals have been made within the Common Market for a long-run policy of rationalization of agriculture and depopulation of the countryside. Such a policy, or some variant of it in the Common Market would be a precondition for the liberalization of trade. The consequences for the agricultural sector in the U.S. and for the development of our rural regions would be vast.

- The current energy crisis will undoubtedly have many effects through international trade which must be considered but which are not presently understood. By way of illustration, one may consider the balance of reliance between imports of oil and domestic production, the location of increased refining capacity within U.S. borders, the shifts between energy sources as among coal, oil, gas, and atomic sources. All of these developments would have strong impacts in diverse regions of the United States, through their physical manifestations, through their capital and labor requirements, and through the chain of effects of their implications along the price mechanism. Conversely, our regional policies dealing with such matters as environmental preservation (quite central to the issues of strip mining, location of atomic plants, refineries, and so forth) will set some of the parameters of choice for a national energy policy.

In summary, then, the national objective of prosperity contains within itself the aspects of efficiency, of development, and of an international trade position.

Equity

The national purpose of equity, or distributional justice, has to do with the distribution of material consumption among diverse sectors of the population. From the point of view of national growth policy, it deals with the distribution among geographic districts.

Although this objective has received increasing recognition in national policy, including national growth policy, it is often misunderstood, and several points of clarification are necessary.

First, although the two are related, the equity objective must be distinguished from the quality of life objective. Equity deals with the distribution of material goods and services; quality of life deals with socio-psychological phenomena, perceptions, and attitudes. For instance, modernization of the economic base of a region might bring it to national parity in material terms and thus serve equity. But it will also change for the better or for the worse in the way people in the region live and perceive their lives, and thus have other consequences for the quality of life objective.

Secondly, the objective of equity involves two distinct and sometimes contradictory forms. On the one hand it has to do with the equality of material well-being among diverse elements of the population. On the other hand, it has to do with the fairness or justice of that distribution. While the equality of the distribution may be measured by some index, such as the standard deviation or the relative mean deviation, the fairness criterion responds primarily to some socially determined criterion of what is due to people. In this country, for instance, the use of percentages of people below the poverty level or the relation of wages to the BLS Family Budgets. Consider, for instance, a fairly common circumstance. As national prosperity advances, certain well-off groups (regions) become better off, and to a lesser degree so do others who are not as well-off. The equality form of the equity criterion would find that things are getting worse from its point of view. But from the point of view of the fairness criterion, in this case the number of people below the poverty level, matters have improved.

Although the point may be the subject of debate, it may be suggested that the fairness criterion of equity is a first-order goal, in that it deals with bringing people up at least to acceptable minima. The equality criterion of equity is a second-order goal, although it is a politically most significant one because people set their expectations by the standards of their fellows.

Even within the equality criterion there is a most significant split. Measures of equality may be roughly grouped into relative measures, such as ratios, and absolute difference measures. When numbers are growing, as has been almost universally the case for such

indicators as income or level of education, it is almost universally common for relative measures to show improving equity while absolute difference measures show deteriorating equity. Thus, per capita income of the South has become a greater percent of national per capita income, but the dollar gap between them has widened. No overwhelming logical argument is available for choosing one of these measures as being "truer" than the other, although for most purposes the relative measure is the more useful; thus we find that one or the other measure is used by advocates to buttress their arguments. Although there is no universal agreement as to which is the proper measure, it is clear however that all are making appeal to the equity objective as a valid national purpose.

A third point of clarification is needed. It is customary to measure inequity by reference to differences in the levels of family or per capita incomes. Yet income is not a direct measure of what is really involved, which is an equitable distribution of the consumption and availability of goods and services. For instance, even if the residents of an area have an adequate income they will be disadvantaged if they lack access to medical facilities or if their children have inadequate schools or if they are exposed to such hazards as floods.

Thus, although the use of income statistics is convenient and often sufficient for the analysis, a more concrete look at reality is often needed for a national growth policy. We may probably assume that the manufactured goods and processed foods produced by private industry are distributed everywhere by the marketing system and available to those with sufficient income. But public facilities and services are not. Thus in certain areas there may not be accessible or enough health facilities, or schooling, or sanitary water and sewage, or electric power. Many existing programs, such as rural electrification, have addressed themselves directly to the level of services and some have been largely corrected, although many remain severe problems. For each of these there has been some degree of recognition that public or at least community action is needed, and that federal assistance is justified in the pursuit of equity.

But beyond these virtual necessities, there is an ill-defined

area of public and private services which might well be included in a list of necessities in trying to judge whether the residents of a locality have access to a minimum level of the American standard of living. These include parks, entertainment facilities, establishments of personal hygiene and grooming, ease of movement to service and other population centers, continuing education, citizen information, and so forth. Many of these may be regarded by some as frills, but many are clearly necessary parts of an adequate standard of living which in many communities are unavailable regardless of private levels of income. Yet for the most part these have not been incorporated into national programs directed to raising the well-being of disadvantaged localities.

The definition of equity merely on income terms is thus insufficient, and a distinction should be drawn between *equity of incomes* and *equity of access to services*. The latter requires more concrete specification of the fair level of services which Americans may expect, and the levels of their availability. The consequences are not limited to definitional distinctions. Government programs must aim at equity in both meanings. This they already do to some extent, but not in a thoughtfully articulated manner. Thus, the Rural Development Act includes provisions for job formation (income strategy) and for provision of certain public utilities (service strategy).

The debate between income strategies and service strategies has been focused primarily on the plight of the urban poor. In urban areas it may be argued (whether or not convincingly) that the main problem of the poor is that they do not have enough money, and that if they had the money they could simply go out and get the goods and services they need. But the situation is clearly otherwise in many sparsely settled areas, where the services are not available even to those with adequate incomes. A particularly acute and widespread problem is that of areas with declining populations, where shrinking population and markets present such special problems as those of consolidation of schools and other municipal services, or the going out of business of such things as drugstores. In many cases it is unrealistic to pursue a policy of subsidizing job formation to increase the market to keep such services in business. It would appear more direct and effective, for such a problem, to provide subsidies directly to the services involved and to

provide assistance for consolidation of markets through such things as improvement of local roads and the formation of service centers.

The idea of service centers, as contrasted to policies of growth centers, has apparently not been a significant part of national policy. Yet in areas where decline is inevitable, a policy of growth centers will be costly and will not answer the real needs. In such areas there will be high dependency ratios, and programs should be aimed directly to the service needs of the aging population and to the reduced number of children. It is worth noting that once standards of services are established, it should be far easier to make such strategy operational in a programmatic sense, for while the growth centers strategy suffers from a lack of understanding of processes or clarity of purposes, a service centers strategy could be based, as it is in Sweden, on a multitude of empirical studies based on central place theory. Meanwhile, the absence of such a strategy is one of the costs of a national growth policy whose rhetoric cannot accept the reality of local population decline and which cannot therefore address itself effectively to the problems of well-being in such areas.

But for all of this income strategies are fundamentally important. Programs of job formation and upgrading, through growth center or other strategies, must be a cornerstone of national growth policy, but two commonly ignored aspects of the evolution of the American economy must be faced squarely. The first is that most present thinking and operational programs for job formation are aimed at manufacturing production jobs. Such jobs are too few to satisfy the need for jobs in distressed areas, and their number is increasing more slowly than the need. This is discussed in greater detail in Section V. The unavoidable conclusion is that job formation strategies based on manufacturing production are certain failures as national strategies (although there will be local successes), and that there is urgent need to relate realistically the aggregate of such local programs to national totals. It is also obvious that significant national job formation strategies for distressed areas must be based on other types of jobs. As will be discussed in Section VII, there is today very little understanding of what is possible and how it can be done in this respect, and therefore there is urgent need to focus research in this direction.

The second aspect of the evolution of the American economy that must be faced is that today an income strategy is only partially tied to a job strategy. In many distressed areas only a small fraction of the local population would be able to take advantage of jobs created because so many are too old, or too sick, or insufficiently educated. A job-formation income strategy is clearly irrelevant for such cases, which are very numerous, and a policy of direct money transfers would be needed. The other side of the coin in today's economy shows a substantial divorce between the distribution of production and that of consumption through a variety of transfer payments which include welfare payments, health benefits, social security, pensions, annuities, food stamp programs, diverse government grants, and private remittances. Virtually all regional economic analysis, as well as policy, ignores this, and proceeds as if only the production system were involved. Input-output techniques and derived programs are instances of this. Yet local economies are a mixture of a production system and a money transfer system. This latter is very little understood, yet it is vastly important not only for poor areas but for other important element of the evolving national territorial system in such cases as retirement communities, university centers, tourist-based economies, and so forth. Analysis and policies that ignore this and focus exclusively on jobs in the production system will often be wasteful and miss their target.

In summary, an income strategy principally based on job formation, and this primarily in manufacturing production, cannot be effective for national growth policy. An income strategy must extend employment beyond manufacturing, identifying other economic activities that will be viable, and it must deal appropriately with the system of money transfers for the population outside the labor force. It should also bear a complementary relation to a services strategy. It must be recognized that these three extensions, although simple enough in principle, will require more detailed and substantive knowledge of conditions in distressed areas than is presently available, and the spelling out of concrete programs of action for which very few leads now exist.

The equity objective in national policy faces particular

problems in the identification of the groups whose well-being is to be compared. For national growth policy, the problem is principally one of regional definition. The earlier discussion of demographic approaches to balance (Section III) referred to the problems of the size of regions and to the selection of boundaries, and to the enormous difference they can make to the diagnosis of distress and to the programs taken to remedy it. Two other important illustrations may be offered: (a) It is the practice to measure local distress in terms of rates (local unemployment, per capita income, percent below the poverty level, etc.), and to pay particular attention to regions that score badly in these indicators. But, although the percentage of those below the poverty level may be lower in a large prosperous metropolitan area than in a poor region, there may in fact be more poor people in actual numbers. Which then should have priority? (b) It is the practice to define distressed areas as homogeneous regions by the usual criteria (low income, unemployment), and to seek solutions within these defined areas. For instance, migration to growth centers within the region is acceptable. Migration to centers outside the region is deplored. Yet in many cases these distressed regions are a collection of the backyards or hinterlands of quite prosperous areas. This is the case, for instance, in much of Appalachia and the Four Corners Region. If the regions were defined functionally by interdependent prosperous center and distressed hinterland, then the current distressed area would be definitionally broken up, certain types of migration would become acceptable, investments might be located elsewhere, and so forth.

The fundamental problem is that the measurement of equity is relational and therefore depends on how we subdivide the nation to compare the relations. By contrast, the prosperity objective measured by the Gross National Product is additive and therefore insensitive to how we regionalize the nation. Gross regional products will always add up to Gross National Product. Therefore it is of great importance to develop clear criteria for regional definitions for the purpose of the regional objective. Three are offered here: (a) regions should be defined in terms of functional interdependence, such as labor markets or complementary production and processing or processing and consumption

areas; (b) regions should be defined by self-identification, as in the case of certain cultural or ethnic populations; and (c) regions should be defined by shared syndromes of problems, as in the case of central cities in older metropolitan areas or that of population-losing rural areas. It should be noted that in all these cases it is quite possible that according to any of these criteria there might result regions which are not compact; that is to say, that the regions might be made up of geographically separate parts which could not be enclosed by a single curve on a map.

Virtually all of the preceding discussion of the equity objective has dealt with distressed areas. Thus, it has been problem-oriented, focusing on the flaws of the national territorial system rather than on the system itself (see Section II). This is a common characteristic of this objective, which focuses on shortcomings of expected values whether based on equality or on fairness. But this is not necessary. For instance, French policy, although deeply flawed, has approached this problem from the viewpoint of a national system, as much from the assumption of the overdevelopment of Paris as of the underdevelopment of the rest of France. In this respect, the question of regional definition must be raised again, together with the concept of the filtering of economic activities. If distressed regions are the hinterlands of prosperous centers, the realm for policy action becomes the entire national system. If the socio-economic landscape is made up of peaks and valleys, a problem-oriented strategy aims to raise the valley floors, a national strategy looks to the overall shape of the landscape. Thus a national policy addressed to regional underdevelopment would not only look at the underdeveloped regions but also at the seedbeds of developmental change discussed above under the prosperity objective. Again, the logic is clear but there is little guidance for concrete programs to deal with the issue.

Finally, it is necessary to draw a distinction between short- and long-run problems within the equity objective. Long-run problems arise from deep structural factors in the economy. They typically concern underdeveloped areas (such as those of backward agriculture), depressed areas (such as those with a declining mining or manufacturing base), and certain problem areas (such as Indian reservations). The

solution of these problems requires sustained policy efforts for the transformation of the economic base of the region, of its transportation matrix and relations with other regions, and associated matters such as urbanization and labor policy. They may require, depending on their magnitude, relative shifts in the sectoral development policy of the nation, such as those dealing with the encouragement of certain types of industry. But on the whole they do not raise sharply issues of redistribution from one region to another.*

Short-run equity problems may raise sharply the issue of redistribution, although often they will be ignored. Short-run problems tend to involve a hardship imposed upon a particular regional group by a particular economic or physical development. For instance, regions suffering a natural disaster are clearly perceived to fall into this category, and aid is usually extended to them at a cost to other regions, usually without complaint from those taxed to provide the assistance. This is not the case when the hardship results from human sources. For instance, a highway development will often benefit localities along the way, but will increase the comparative disadvantage of localities some distance away. The highway thereby redistributes economic costs and benefits. Comparable effects flow from such diverse factors as federal procurement and facility location policies, treatment of imports and exports, and industrial and technological developments. They have in common that, even if the total benefits exceed the total costs, both costs and benefits are unevenly distributed, and thus some are left worse off than before.

In logic, those who receive more than their share of benefits could compensate those who receive more than their share of costs. Indeed, this is the position of many academic economists in their interpretation of the Pareto optimum. Nonetheless, this cannot be said to be the rule in reality. Similarly, the school of land economists, extending back to Henry George and currently enjoying a significant revival, points to the excessive concentration of benefits arising from

* They may raise them in general ways. For instance, the capital-output ratio in these regions will tend to be high, and therefore their development will imply to some extent their subsidy at the expense of other regions.

such public actions as highway construction into the hands of particular beneficiaries, who thus reap as personal benefits what is really a socially produced benefit. This school argues for the expropriation, either direct or through taxation, of these benefits so that they can be enjoyed by society. But this line of argument has failed to stress as a rule the symmetrical concentration of costs and has failed to propose particular remedies.

In practice, federal actions for these short-run problems have lacked a consistent framework. They tend to be ad hoc measures, such as aid to federally impacted areas, disaster relief, special import restrictions, price supports, unemployment compensation, and so forth. It would seem desirable to develop a more consistent treatment of these circumstances, particularly for the compensation of those bearing a disproportionate share of costs. The variety of federal programs is quite large in this area and should be inventoried in order to see if more systematic and effective approaches are possible.

The relation of short- to long-run equity problems is, however, a complex one. A region subjected to repeated floods may need short-run help after each flood, but in the end a program of flood control and land-use planning of the flood plain may be a long-run answer. A region that finds its economic base placed at comparative disadvantage by a particular event may need not only short-run help, but also long-run programs to adjust to its situation. This last case returns us to the discussion of whether the proper response to local economic decline is to try to stimulate development, or whether in many cases the long-run problem of local development is not an insoluble one, so that the operational equity question is one of short-run (perhaps as long as a generation) assistance in terms of the concrete needs of the downward transition.

Quality of Life

Even a cursory examination of current discussions of national growth policy reveals that quality of life is one of the central concerns. Needless to say, the concept remains an ill-defined and elusive one, but its importance cannot be denied. It has been one of the cornerstones in the nation's history, from the Pilgrim's search for the

city upon the hill, through Jeffersonian theory of the moral worth of rural life, the Turnerian interpretation of the frontier as central to a self-reliant and democratic people and as the escape valve that prevented the rigidification of social class. Even today, many of the references to the quality of life play on these themes, although more often with nostalgia for the preservation and recovery of a small-town and rural past than with the vigorous forward look that characterized the earlier formulations.

The vagueness of the concept is no excuse for ignoring it. Neither, it will be argued, should it be made an excuse to trivialize it, as we are in danger of doing through naive reliance on social indicators and surveys of consumer preferences. While these have their place, it is a modest one, especially given their present rudimentary level of development. And neither should the vagueness be made an excuse for that other refuge from ambiguity: reliance upon oracular pronouncements by self-appointed prophets. There is no shortage of these in this area, and their suggestions seem firmly rooted in idiosyncratic ideology, and often in an abyss of ignorance. The credence with which they are often listened to by public officials and the media must be a source of major concern.

Rather it is necessary to recognize the depth and breadth of the issue, to think as clearly as possible about it, to make use of applied social science as far as it will take us (which is only a part of the way), and to recognize that in a democracy the search for the good life is a continuing one, in which individuals, their institutions and their philosophers all share.

A vast literature exists on the description of ways of life which has much to say about the quality of life. Although much of the theory is currently being questioned and revised, Wirth's urbanism as a way of life and Redfield's rural-urban continuum, together with other early theorists such as Simmel and Durkheim, still provide much of the paradigm for sociology in this area. In addition to this base of theory, there is a vast body of rural and urban sociology by such writers as Warner, Gans, Kornhauser, Lewis, Cole and many other, being recently augmented by studies of such special populations as minorities, migrants, the aged, and so forth. A very great deal is known

about life-styles and about quality of life, and yet this knowledge is primarily descriptive so that relatively little has found its way to policy-oriented discussions.

There is too another group of writings, which might be termed social criticism, which provides useful insight and, even when one disagrees, challenges to rethinking. These include such popular writers as Toffler, Packard, and Reich, and more philosophical commentators such as Marcuse, Mumford, and a host of others concerned with such major themes as alienation and community, alternative life-styles and institutions. These last, ultimately, include all commentators on our society. For instance, the issue of the role of women is clearly central to the quality of life, not only in the obvious direct way, but also through such secondary effects as those upon the fertility rate, the composition and distribution of the labor force, relative prices for different types of labor, altered patterns of consumption, and so forth. Comparable issues involve the position of minorities, the distribution of power, the legitimization of certain claims, the redirection of the materialist consumption ethic and the revival of the work ethic. In brief, from a core of readily identifiable scholars the field of those dealing interestingly with this subject broadens without practical limit.

An illustration of the generality of this concern and its relation to concrete events is provided by the assessment half a century ago of the impact of chain stores on the quality of life. The Speaker of the Indiana House of Representatives lamented that "the chain stores are undermining the foundation of our entire local happiness and prosperity." Senator Copeland of New York was of the opinion that chain stores contribute nothing to the community: "Chain stores are parasites. I think they undermine the foundations of the country." And Senator Hugo Black from Alabama thought they were "increasing the number of unemployed, building up a caste system, dangerous to any government. . . . The local man and merchant is passing and his community loses his contribution to local affairs as an independent thinker and executive."* Comparable concerns may be found with respect to the rise

* Cited by Daniel Boorstein, *The Americans: The Democratic Experience* (New York: Random House, 1973).

of mass production, the sewing machine, apartment houses, television, contraceptives, welfare payments, child-rearing practices, and many others.

In the face of this pervasiveness it is necessary to begin to sort out elements within this general national objective in order to clarify the issues and to ease the discussion of the more difficult issues by disposing of the easier ones. A tentative list of five elements in the quality of life is offered, followed by a brief discussion of each element:

- a) Concrete needs and conditions
- b) Consumer preferences and preferred life-styles
- c) Sense of self and community
- d) Ethnic and cultural identity
- e) Socio-psychological costs of transition

Concrete needs and conditions.--This category would include physical and mental health, public safety, and a variety of other categories in which there is general agreement as to desirability or undesirability of certain conditions and some way of measuring conditions. For instance, high rates of morbidity and mortality, high incidence of crime or of fire are generally regarded as bad and become evidence of a low quality of life in that respect. This is the area in which social indicators have made some progress, and in which some systematic further progress may be anticipated. However, it must be noted that the early enthusiasm for social indicators failed to recognize not only that this is only one aspect of the quality of life, but that in the absence of general social theory which we face, measurement and its interpretation are highly problematic. For instance, high crime rates may indicate many things, of which higher criminality is only one. It may indicate a more vigorous law enforcement, or a greater propensity to record crimes, or that the crimes are of the type which is recorded rather than not. Further, there is the aggregation problem of index numbers in virtually all of the areas within this element. The difficulties in the construction of crime indices is well known, for instance: how many rapes equal one homicide equal one breaking and entering equal one embezzlement? Since we have no answers, indicators in these areas are of necessity constituted by arbitrary formulae in

the assigning of weights. Further difficulties include confusion between the condition or demand (e.g., morbidity) and the remedy or supply (e.g., availability of doctors and health facilities). Finally, many of these are difficult to interpret: is the incidence of divorces a reflection of the failure of marriages or of the ability of people to remedy failed marriages? For all these difficulties, however, it is in these areas that conventional social science is most promising for measuring conditions and prescribing actions.

Consumer preferences and preferred life-styles.--A variety of recent studies has become available as to what people say they want. The Harris and Gallup Polls and the Potomac Institute have arrived at remarkably similar findings to the effect that a majority of people say they would like to live in small towns. Other studies, principally those of Lansing and Associates, report on surveys as to preferences in neighborhood and housing. Many of these studies have received wide publicity, but their interpretation requires great caution. They report what people *say* they want, not what they really want or how they would like it if they got their wish. In an interview situation responses to vague hypothetical questions are likely to be rhetorical or symbolic rather than a true expression of an operational choice. Nonetheless, a great deal more work in this area is needed with considerably greater sophistication. Interesting new departures are embodied in the work of Hansen, who presents alternative scenarios of earnings associated with concrete migratory choices, and in some of the gaming experiments that lead participants to explore the consequences of their choices. Asking people what they want makes excellent sense, but it is important for the formulation of policy to make the question a fair one so that the answer may be intelligently listened to. This area too is one in which traditional social science may contribute greatly. It differs from the previous element in that it deals with questions of kind rather than with questions of quantity.

Sense of self and community.--This vast issue has been the subject of much political thought, both left and right, and has been addressed as well by many other non-political observers. It basically has to do with how individuals feel about themselves and about their ability to play a meaningful role in their society. Although it takes

many forms, a common diagnosis views the individual as alienated in modern urban society, with diminished primary contacts so that he finds no rewarding human associations. Most of the analysis attributes this to the bigness of society (and therefore links it to large-scale urbanization) and proposes the development of communities. The precise form of these communities varies a great deal, and the word "community" is one of the most abused ones in the language today. Nonetheless, emphasis is often put in residentiary communities (neighborhoods), ethnic and racial communities, and some other forms of affiliation. At the programmatic level we find manifestations of this concern in the local self-determination implicit in the New Federalism, in the development of communes, in the consumerist movement with its communities of consumers, and in dozens of other ways. Many of the issues raised are fundamental and most practical.

It should be noted that the conventional assumption that equates small-town and rural life with a sense of community and urban life with alienation is under severe challenge from a number of empirical studies, and that it would be a grave error to base policy aimed at the objective of improving the quality of life on such an oversimplification.

Ethnic and cultural identity.--This element in the quality of life has until recently been assumed to be of diminishing importance because of the melting-pot effect. Nonetheless, it has in recent years become a central issue in the position of certain minorities, such as the black, the chicano, the Puerto Rican, the Chinese, and the Indian. Many of these reject the idea that they should adopt the life-styles of the white majority and insist on a separate identity. This phenomenon is poorly understood, but of great importance not only in this country but in other developed countries. Europe finds that among its most important regional and urban development issues are those of the cultural nations (Basque, Catalanian, Welsh, Scot, Breton, Flemish, Walloon, and so forth), as does Canada, and the role of these considerations has been of mounting importance in recent years. Although in the United States there is a less clear regional definition associated with these cultural-ethnic groups, so that the issues are considered as ethnic rather than territorial ones, they do take a strong territorial aspect

in cases such as the concentration of certain minorities in metropolitan central cities and the Indian lands; further, within the white population there are important manifestations in some of the Southern states which may be expected to gain in importance and visibility as continued urbanization and development comes in conflict with the region's traditional cultural values.

Both academic economics and our system of laws are products of eighteenth-century rationalism and place all their stress on the individual rather than on such social groups. Therefore they have had particular difficulty in dealing with these issues. Nonetheless it may be expected that matters of ethnic and cultural identity will remain central for national growth policy, affecting very concretely the formulation, demand, and acceptability of alternative courses of action.

Socio-psychological costs of transition.--In a changing society people often find their ways of life changing and are distressed by this quite aside from whether they benefit or suffer materially from the change. Such changes include the sense of threat felt by the white workingclass from the numerical and economic growth of a black population, the sense of abandonment of the remaining oldsters in regions of declining population, the challenge to established elites by new ones in regions of economic transformation, the disorientation of new arrivals in dynamic situations, and many others. Some of these socio-psychological costs are subtle, and some may not elicit much sympathy from others, but many can and should be the object of policy through programs to aid individuals and communities. Although often the problems are local ones in the concrete instance, they are national problems in that they repeat continuously and will continue to do so in an evolving society. Much as there are short-run compensatory equity problems as distinct from the long-run structural ones in the material sense, these constitute short-run problems in the quality of life, but ones that are fully deserving of attention.

Two general observations must be offered in concluding the discussion of the quality of life objective. The first is that in a modern society the life choices of individuals affect one another. Obviously we cannot all simultaneously enjoy Yosemite in solitude, nor

choose the same locations and keep their population down. Yet such contradictions are implied, for instance, in the many current local no-growth movements, for decisions as to growth at the local and regional level are really distributive decisions from the point of view of the larger region or the nation, since the totals are not in question. The issue of local growth, so often tied to considerations of the quality of life, are ultimately distributive questions, both in territorial and in economic terms. In prosperous areas, they often take the form of those already in barring the door against those outside. In declining areas, the search for growth carries more complex consequences because of the counterpoint of economic and demographic cross-flows. The general point, however, is that it is the responsibility of the national government to carry the books that will tell whether the sum total of individual choices is feasible and whether the choices of some are at the expense of others.

The other general observation is similar, but deals with a phenomenon so pervasive and important that it deserves highlighting. This is that much of what passes for concern for the quality of life is actually class self-interest or prejudice. This takes many forms. For instance, for centuries the upper and intellectual classes have toyed with a pastoral ideal, and many of the current proposals for deconcentration and new towns have this basis, whatever the merits of the issue. Similarly, many of the current proposals for aid to distressed areas and the creation of new settlements are rather naive attempts to keep the rural blacks and certain poor whites back, as are many of the no-growth movements. The Family Assistance Plan, which embodied the possibility of profound regional consequences, was in large measure defeated in Congress because, by raising the costs of labor and increasing its range of choices, it threatened the submissiveness and availability of menial labor to the middle and upper classes in the South. This points to a matter so obvious that it is often neglected: that the quality of life of the affluent is to a large degree based on the poverty of others, and that much of what we regard as the good life depends on a high ratio of incomes between the haves and the have-nots. The basic problem of the quality of life in this country has to do with our capacity to design modes of living which are compatible with

economic democracy.

Environmental Integrity

This national purpose, to a large extent neglected until recently, has exploded into the public consciousness so forcefully that it has often slipped over into excess. No overall theory appears available to deal with it, although important beginnings are being made in certain areas of economics and the natural sciences.

It appears that the environment becomes an issue for public intervention because of the failure of market mechanisms. That is to say, the mechanisms of price among willing buyers and willing sellers result, often if not always, in conditions which are viewed as socially undesirable. Since the market misallocates and misshapes, recourse is being had to public action.

The bases for failure of the market in the environmental area appear to be fourfold. First, the costs and benefits of decisions are not borne fully by those making them. These conditions are called "externalities," and traditional remedies are either to regulate behavior directly or to devise new market institutions that will internalize the externalities (i.e., so the costs and benefits accrue to those taking the actions) by such devices as taxes, redefinitions of liability, allowing diffuse affected groups standing in court through class action suits, and by other means. Secondly, it appears that the interest of the society as a whole would place a different and greater value on the future than do individuals or corporations. Hence, the social rate of discount by which the present value of alternative actions is considered will differ from the private one. Private actions will be more shortsighted than the public interest would have them. Thirdly, it appears that the scale and technological power of the society is such that it often exceeds the capacity of nature to absorb and diffuse pollution or renew its resources. This is a significant departure from the approach of systems analysis, which is based on the presupposition that the action system is imbedded in an "environment" which is so large in relation to the system that there are no feedback effects. Insofar as the decisions of the market are marginal, they fail to take account of such structural limits and capacities. Hence

some form of regulation or better information is needed to regulate the market. Fourthly, it appears that some environmental elements are judged to be unique and valuable in their own right because of the cultural value we place on them. The market does not have mechanisms to place a price upon them, or places a socially dysfunctional price (as in the case of marketable species approaching extinction). Again, this leads to a need for regulation.

In brief, these four points may be restated as: (1) in a highly interconnected society, the decisions of some have spillovers which affect others for which there is no market mechanism; (2) the society claims in many cases a longer time perspective than individuals, and thus views a modification of the private rate of discount as being in the public interest; (3) the technological power of the society has become so large that in many cases it cannot be assumed that the environment is infinite with regards to the system in which the action is taken, so that comprehensive assessment of system effects becomes necessary; and (4) certain elements of the environment are viewed as unique and of societal value, to be protected by command and regulation rather than left to the mechanism of the market.

Obviously this rather neutral exposition does not do justice to the concern of many that grave and irreparable harm is being done, that life is endangered and health is impaired, indeed that we may be headed toward some ultimate catastrophe that may wipe human life from the face of the earth or bring it back to a brutish level. It is clearly beyond this paper to sort out these claims, prove them or disprove them. They cannot all be true: some say that we will freeze to death while others hold that we will bake to death. The present author is skeptical of these predictions of doom, but it must be recognized that only one of them need be true. Thus, avocation of doom saying seems to perform a useful social function, both as a continual exploration by the imagination of the dark beyond our headlights and as extreme positions which make more feasible moderate environmental reform. Yet, for the time being at least, such highly colored and value-laden views of the environmentalists challenge our ability to sort out the elements and dimensions of our environmental situation and to place it in terms of the proper societal objectives.

The conflicts of this social goal with other social goals are particularly evident. For instance, limitations on insecticides and fertilizers will, in the absence of great technological advances, raise the costs of foods and fibers. Thus, there is a conflict between the environmental and prosperity goals. And while we would all have to pay more, this would most sharply affect those of lower income, since they must spend much larger shares of their income for food, clothing, and such basic necessities. Thus, environmental concern conflicts here with the equity objective. Similarly, environmental concern in such matters as strip mining, the Alaska pipeline, pollution from power stations such as those at Four Corners, clearly conflict with the prosperity objective. And attempts to preserve wilderness from recreational development clearly sets a conflict in quality of life between those whose cultural background has conditioned to a preference for the enjoyment of untrammelled nature in solitude and those whose culture and life-style has conditioned to prefer nature tame and companionable.

Perhaps the most striking thing about the objective of environmental integrity is that the great popular awakening to its existence, spearheaded by an apostolic vanguard, has given it too often a status as the preeminent objective, before which other social goals count for nothing. Thus, rather than tradeoffs among objectives, we are presented with a series of unchallengeable absolute imperatives. This is particularly troublesome because, as has been pointed out, most of the environmental problems are characterized by a failure of the market system. Thus the postulation of absolute imperatives points the way to command planning and governmental control and regulation as the alternative to the deficient market. It would be extremely dangerous to have this type of control exercised by a government which subjugated all other social goals to this one.

There is probably no great danger of this happening completely, but it is happening to some degree. Consider, for instance, the recent case of *Fri v Sierra Club*, in which the courts have upheld the literal interpretation of the provision of the Clean Air Act of 1970 that the environment may nowhere be degraded from its present levels. If this were to be enforced, it would bring to a halt virtually all development, not only in crowded areas of low environmental quality but also

in those areas where the purity of the air signals the economic underdevelopment and poverty of their inhabitants. Clearly this would be socially and politically unendurable, and we will face either a change in the law or else semantic acrobatics in its interpretation. Similarly, the many plans for dozens of metropolitan areas recently proposed by the EPA have brought home to many that enforcement of current environmental quality laws would so profoundly affect our life-styles, the distribution of income, and our ability to earn a living, that it would almost appear that the publication of these plans is intended not for their implementation but as a demonstration of the absurdity of the commands of the law as now written. But in the meantime, it appears that the unqualified demands of some environmentalists in combination with the strategies of accommodation to their demands by the government can product instances of variable severity of the subjugation of all other social goals to this one.

Given that we are only now learning and exploring the dimensions of this objective and our political preferences in tradeoffs with other objectives, a variety of approaches to its formulation can be seen to be taking place. We have referred above to instances in which government, principally through its legislative branch, sets norms which act as inflexible constraints. Closely allied to these is the functioning of regulatory bodies with the legitimacy of expert opinion representing the public interest. In addition there are significant appeals to individual and corporate conscience for the self-regulation of their behavior. And, in close interaction, there is the development of the technique of Environmental Impact Statements, the extension of the system of hearings, and a broadening of the interpretation in the courts of standing in legal cases which has resulted in a growth of class action suits. These are all instances (to be discussed more fully in Section VI) of an ongoing process of social learning to define better this social goal and its relation to other social goals.

National Security

This national goal does not appear to play a very important role in United States territorial policy at this time, although it has done so through our history and is a significant one in many other

countries today.

In our past, national policies of population distribution and transportation investment were important features of U.S. defense policy. Significant instances are the policies with respect to California and the Southwest in the face of disputes and even wars over formerly Mexican territories. Such considerations arose even as late as World War I. Similarly, comparable considerations and strategies were involved in the securing of the northern border territories from British and French interests in Canada into the nineteenth century. Such settlement policies and territorial claims have not been significant for the last two generations, except perhaps for some echoes of them in the granting of statehood to Hawaii and Alaska, and, sadly, in the herding of Japanese-Americans into concentration camps during World War II.

Since World War II the defense goal has not been trivial, but its presence has been either marginal or episodic. Soon after the war there was a temporary enthusiasm for the breaking up of urban concentrations and the dispersal of national population as a means of reducing vulnerability to atomic attack. The vast development of highways, the maintenance of railroads, and modernization of ports was at least marginally influenced by a desire to maintain a military capacity of rapid coast-to-coast mobilization of troops and supplies. More recently, related issues may have influenced some of the decisions concerning the deployment of anti-missile installations. Civil Defense evacuation planning continues to this day in attenuated form.

Today, with advances in the technology of warfare, it appears that among the major powers the dictum that the purpose of warfare is the taking and holding of territory has become obsolete. Thus today's national security considerations do not play a significant role in territorial policy. But the residue of past policies based on security present great opportunities in the pursuit of other goals. Earlier war and preparations for war have left vast amounts of land and military installations, very often at locations then strategic for military purposes, which coincide with major urban areas or areas prime for development. Thus, principally in coastal areas and in the vicinity of great cities, the United States has an abundance of real estate and installations which are obsolete or unneeded in terms of today's

military technology. Early in the first Nixon administration there were some attempts to release some of this land for civilian purposes, but there has been no follow-through. Nonetheless, these instruments of an earlier national defense goal could now have great tactical and strategic value as instruments for the pursuit of other objectives if the policy of their intelligent disposal were resumed.

National security has played a continuing role, however, in the development of scientific centers, often in association with peaceful research development. Among such are some new towns as Los Alamos and Oak Ridge, the Boston Route 128 and the Palo Alto industrial and research concentrations, the vast developments associated with Cape Kennedy (whose resulting population has been estimated at half a million), and choice of major facilities such as those at Huntsville and Houston.

In the postindustrial society public policies in scientific investment, often defense related, and its location appear center to continue and possibly to grow in importance in shaping the distribution of the nation's economic activity. Further, experience has shown that very often such investment spins off considerable private industry in terms of contractors and in terms of new products, new processes, and new services. These can often exceed the magnitude of the impetus that had been publicly provided.

A fanciful analogy suggests itself. In the past, where the processes of warfare dealt with the control of territory, and thus defense affected national growth policy largely by shoring the borders of the national territory. The transition to scientific warfare has diminished the importance of such geographic frontiers. Rather, today, the frontiers are those of advancing knowledge, and thus their territorial impact, while still substantial, is an indirect effect of advanced posts on the frontiers of knowledge. Which is to say that time is the frontier for defense, and its configuration in space is only its reflection.

Finally, defense considerations have had important downward local effects in many parts of the country in the case of closing of bases and facilities such as shipyards and armories. The local problems resulting are akin to those of localities facing the closing of a

major industry, and policy in such cases has tended to follow the lines of compensatory short-run aid under the equity criterion.

V. SOME NOTES ON THE NATIONAL REALITY

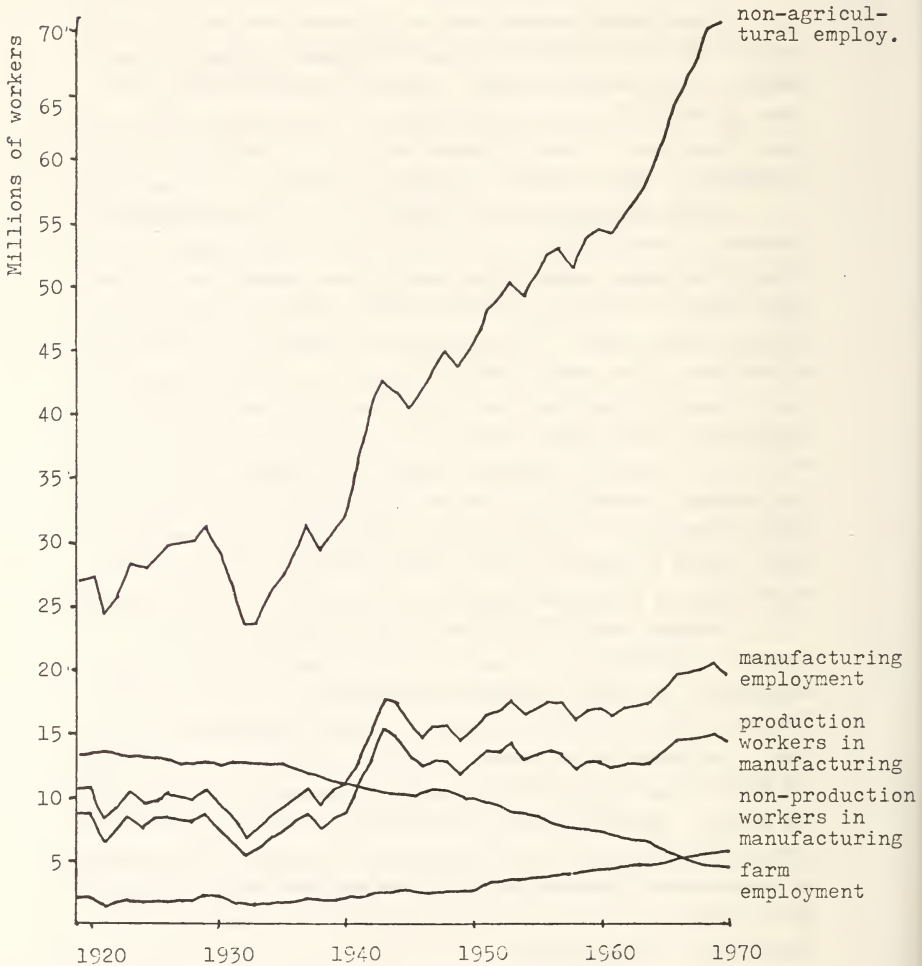
Other studies commissioned in this series consider the structure and evolution of the territorial distribution, structure, and dynamics of the American society. This brief section makes no pretense of summarizing this complex, powerful, and baffling aspect of our social experience. Rather, it seeks to point to a very few matters of extraordinary importance that are commonly neglected or misunderstood.

The first of these is the reliance of territorially oriented programs on manufacturing as the economic base to cure local ills. Central city slums, remote Indian reservations, deathly poor agricultural regions, industrial and mining centers that have come to less, all pitch their hopes in the attraction of industry. This industry is represented, in the mind of the public and that of policy-makers, as manufacturing plants which, humming with activity, put hundreds and thousands of local people to work. This picture happily comes to pass from time to time, but occasional local successes must not deceive us into relying on manufacturing for national unemployment and underemployment problems. The plain truth is that there are not enough of these jobs to go around for all of those who hope for them, so that there cannot be a national solution to the problems of local distress.

Consider the reality of the shifting composition of our economy. (See Figure 1.) From 1950 to 1970 non-agricultural employment rose by 56%, while manufacturing employment rose by 27%, a bit less than half. But manufacturing itself had changed during those years. The proportion of managers, salesmen, technicians, accountants, and others other than production workers increased from 18% in 1950 to 28% in 1970. Thus, the total rise of production workers in the twenty-year period was only 12.2%, or one-and-one-half million production jobs in manufacturing. Compare this to a rise more than twenty million in the civilian labor force, and to the decline of five-and-one-half million jobs in agriculture.

Obviously, since distressed areas and other claimants for manufacturing will specialize in branch plants, they will specialize in production workers. Even if all prosperous areas renounced any

Figure 1. Employees on non-agricultural payrolls, manufacturing employment, production workers in manufacturing, non-production workers in manufacturing, and farm employment, 1919-1970.



Source of data: Handbook of Labor Statistics, 1971, U.S. Department of Labor, Bureau of Labor Statistics, Bulletin 1705.

claim to such jobs, there are simply not enough of them being formed for national territorial policies to use them as a principal instrument. In other words, the stereotype of factories as a principal economic activity and their location as a fulcrum of national territorial policy is a myth which unfortunately prevails too widely.

A second related reality is the rise of the service sector. This phenomenon has been widely recognized and most completely documented and discussed by Victor Fuchs and most recently by Daniel Bell. Its magnitude is even greater than commonly realized if it is recognized that even within the manufacturing sector there has been a rise of non-production workers who are a form of service sector. But for all of this, we know very little about the structure of the service economy and about the logic of its location patterns. The SIC classification of the service sector is singularly opaque and provides few leads for understanding it. Economic statistics generally are couched in terms of units of physical production which make it virtually impossible to sort out the creative inputs of services. Consider for instance musical tapes and records: the physical object being sold is merely the outward manifestation of a product whose value is created by the artists and by the complex of recording companies, artists' agents, radio stations, and so forth. The price of the object bears little relation to the cost of its physical production. Further, the output of most service activities is measured in national accounts as merely the cost of the inputs. This in effect prevents the analysis of variations in local productivity and comparative advantage.

For territorial purposes the low state of theory and information with respect to the service sector is illustrated by the most commonly used techniques. Input-output and its variants are based almost exclusively on a conception of physical inputs and physical outputs, with the service sector trailing in statistically dependent constant relationships. There is no recognition of the dynamics and contribution of these activities. This returns us to the discussion in Section IV of the distinction between efficiency and development with the prosperity objective. The most rapid rates of development are clearly taking place, in a spatially differentiated manner, within the service or postindustrial sector. Yet our techniques of regional

analysis treat this as a technologically static sector linked by constant relations to physical production. Similarly, the available location theory is predicated exclusively on the location of physical production. There is hardly a beginning of an understanding, let alone a theory, of the location of the postindustrial sector.

A hypothesis may be put forth here. We have seen that the manufacturing sector, through the rise in non-production jobs, becomes more like the service sector. It may be expected that this service portion of manufacturing may follow a logic of location comparable to that of certain services. Conversely, it appears that many services, as they routinize many of their procedures and devise capital-intensive technologies for their operations, may become more like manufacturing, able to ship their inputs and outputs over long distances, searching for semi-skilled work forces, for large sites, and so forth. Of course, their inputs and outputs are information, and the shipment is transmission by phone or cable rather than by trucks or rail, but we see already that firms such as credit cards, insurance, all types of travel reservations, publishing, direct mail advertising, and certain exchanges can and do locate in places which would have been impossibly remote a few years ago. Thus, the hypothesis is that a dual process is at work: while the slow-growing manufacturing is becoming more like services, the rapidly growing services are becoming more like manufacturing.

If this hypothesis is correct, it has very important implications for the future evolution of the territorial aspects of our society, and it suggests certain lines of possible public intervention through investment in communications networks and their regulation (by legislation and by the FCC) comparable to our earlier development of railroads and highways. It has implications also in terms of training programs and other development strategies. But even if this hypothesis is not correct, the fact remains that it is urgent that we arrive at a better understanding of this emerging reality.

A third and related point has been discussed already but bears repetition here. This is that jobs today are only one source of personal income. In 1970 wage and salary disbursements and other labor income accounted for only 71% of personal income, and this does not take

into account a great many private transfers such as those from parents to children in college.' It is important, therefore, to recognize that the location of employment is therefore only a partial determinant of the location of population. This increasing divorce of production and consumption is also imperfectly understood, and it is to be expected that the share of earned income will vary greatly among locations. Retirement communities, college towns, areas with large numbers of people on welfare are among those having large proportions of their populations living on remittances.

Among the consequences of this development is the potential footlooseness of much of the population, whether this footlooseness is acted upon or not. We already see many instances of local development based on servicing such populations, as in the case of retirement communities, and of the conditions of depopulation in declining areas being largely determined by the claim on such transfer income that can be effected by remaining oldsters, children and certain adults incapacitated by reasons of health. It is clear that the recent proposals and likely eventual development of some form of guaranteed income, such as the Family Assistance Plan, would greatly enlarge the numbers of people receiving income which is not earned. Much speculation and some studies have been addressed as to the consequences of such a program on the mobility of Americans and their population distribution, centering largely among the possible flows from farms and small towns to metropolitan central cities and vice versa. Although no firm conclusions are available, the impact might well be substantial.

Finally, the relative divorce of production and consumption presents an intriguing possibility with respect to the tradeoffs between national prosperity and national equity. It appears that in general (with frequent exceptions, however) the location of production in economically distressed areas is not efficient by such criteria as capital-output ratios. Thus, the conflict between these two national goals has seemed a very sharp one in programs such as those of the Economic Development Administration. The separation to some degree of production and consumption suggests the possibility of pursuing the goal of national prosperity in the location of production and the goal of equity in the allocation of transfers. Of course, this matter is a

very complicated one. Most claims on transfer income are based on individual characteristics rather than on region of residence. The political will to engage in such transfers is always a fragile one. And there are many who feel that unearned income in general weakens the fibre and self-respect of the receiving population. Nonetheless, this aspect of the national reality, especially in view of extension, presents both challenges and opportunities.

Two foreign instances are worth citing in this respect. In Great Britain, for instance, a tax is levied on wages. Government policy, whether correctly or not, prefers people to avoid certain localities and to settle in others. In the preferred locations, the tax is returned with an additional subsidy, in the disfavored locations, the tax is kept by the national government, and in the remaining locations, which are viewed neutral in that policy, the tax is returned exactly. Total taxes equal total subsidies, so that the scheme is self-liquidating. A comparable scheme is conceivable in this country, not only in earned income, but also in terms of preferential terms for government transfer payments to individuals, such as retirement, scholarships, disability benefits, and (possibly in the future) guaranteed income. The other instance concerns India. While it is a society at a level of economic development quite different from ours, it is the only one with which I am familiar for which there is regional information both for production and consumption. Recent evidence shows that, while production has become increasingly concentrated (presumably in the interest of national prosperity), consumption has become increasingly equalized among regions.

A final point with respect to the American reality must be made. This is that the processes of concentration, dispersal, and depopulation that we are witnessing today go back at the very least to the turn of the century. Most of the fast-growing metropolitan areas of today, such as those of Florida and California, were growing fast at the turn of the century. The process of suburbanization can equally be shown to go back for many decades, although the definition of municipal boundaries disguises the phenomenon. And most of the rural areas now losing population saw their highest population levels much earlier in this century. In brief, the shaping of the national human geography is

a very slow and sustained process which appears to respond to deep structural forces in our social and economic evolution. Consequently, policies aimed at influencing this national geography must be very patient ones, to be sustained over decades. This reality, it seems, is among the most difficult ones to grasp. Although particular projects may be executed promptly, and particular programs may make their effect felt immediately on substantial portions of the population, a national territorial policy must be conceived in terms of historic spans of time.

VI. POLICY DEVELOPMENT AND EVALUATION

Technical and Political Inputs to Policy

Policy is the logic of the actions we take to reconcile the structure and dynamics of the society to national goals. Contradictions between what is and what we want are imbalances, and a policy of balanced growth consists of guiding a dynamic and evolving social system to conform as closely as possible with social objectives.

In the formulation and evaluation of policy it is necessary to distinguish the technical component of that activity from the political one. The technical component of policy in the case of national territorial policy is an essential one, but it is too often assumed that it is the central and even the only one. This is not correct. In national territorial planning the technical component must ride in tandem with a complex political process. This is not merely because the realities of power deny autarchy to technical planning. It is because choices must be made between objectives which often conflict, and this is a matter of values, not of technical solution. It is also because many public actions in this realm will impose an uneven distribution of costs and benefits upon diverse groups of people, and as Lasky has observed, politics deals with who gets what, when, and how. Finally, the low level of scientific and technical knowledge in these matters means that considerable differences of opinion are possible as to the objective consequences of particular policies. Thus, the choice of policies becomes a risk-taking one with respect to costs and benefits and their incidence, and such choices are ultimately political ones.

Nonetheless, technical planning has an important role to play in delimiting and clarifying the areas of possible choice, the real tradeoffs involved in pursuit of diverse objectives, and the probable incidence of costs and benefits. In other words, the technical and scientific function is to inform the political process of what is known of the reality and the availability of choices. Without technical planning, the nation proceeds to develop a territorial policy in blind ignorance, as we do today, making daily decisions on hundreds of matters which in fact constitute implicit territorial policy.

Obviously technical planning could inform and improve this process. But it will not do to imagine, as is sometimes done, that the replacement to this is to be a smooth set of plans produced by technical means. The proper mix lies in between, in the combination of the best technical knowledge available with the pluralistic representation of those affected by the decisions.

Territorial planning, perhaps more than other forms of national planning, must have complex political processes. Those affected by the decisions are identified not only by industrial affiliation, or age, ethnicity, or sex, but also by their location. Thus, it is to be expected that in this area of planning territorially defined institutions will play a large role. The federal executive branch cannot hope to be the principal agent in the formulation of policy to the extent it can in macroeconomic planning or in such sectoral planning as social services or energy management. Rather, Congress will inevitably play a central role because it is, among the branches of the federal government, the only one whose membership is defined territorially. Similarly, the lower levels of government, from regional agencies to states to counties and municipalities, will have to have an input.

This decentralization of policy formulation is not purely a matter of political philosophy. Regionally defined participation serves other functions as well. It brings into the policy process local values and concerns, and more detailed knowledge of local conditions and problems than are available at the center. Further, even in the experience of countries with strongly centralized authoritarian governments, the implementation of such plans and policies requires that they have that legitimacy for local allegiance and commitment which can only come from actual local involvement in the primary decisions. Thus the more widespread participation serves to better pinpoint policy to actual purposes, to improve the technical correctness of the plans, and to insure their being carried out.

The difficulty is to develop forms of planning that permit widespread participation without bringing about total immobility, either because of chaos or because conflicting interests or perspectives in effect veto any forward movement. This paper will not pretend to give a formula to solve this dilemma. But it is worth noting

that there are now ongoing a wide variety of experiments in this regard. Among these the following may be mentioned within the federal government: the proposed reorganization of the Federal Executive to facilitate the coordination and representation of diverse federal agencies; the Congressional awakening to these issues as manifested by the number of bills on national territorial planning being introduced; the Regional Commissions; revenue sharing; the regionalization of the functions of many federal agencies; the A-95 circular and related inducements to regional coordination. But beyond this there are many other developments: the process of hearings by public agencies at all levels seems to have been very much widened in recent years to insure a broader representation of viewpoints and interests; the environmental impact statements may have their greater significance not in the technical exploration of consequences but as a concrete document to awaken and crystallize the concerns of affected groups; the courts have given far greater latitude to the concept of standing, so that class action suits have become commonplace to represent the interests of groups whose component individual could not afford to act on their own; in the private sector, there appears to be a flourishing of the organization of groups of consumers, of residents, of ethnic, affinity, producer, and of other interest groups to represent their views.

There have been abroad other interesting experiments, such as the French, which formally attempt to relate, in a process called "indicative planning," the technical function of a secretariat with representatives of defined interest groups, including regional representatives. Similarly Italy is currently embarked in a major experiment of regionalization of governmental functions. Switzerland and Germany, as federated states, are of particular interest. Although no foreign experience is likely to be a perfect model, many of the general conceptions and many important details could be significant to the evolution of American processes, sometimes in their success and often in their failure. It must be noted that relatively little is known in this country of these parallel experiments, and that often what passes for knowledge is the acceptance of self-serving and shallow official versions.

Not each experiment, foreign or domestic, is the wave of the

future, and total participation is neither feasible nor desirable. The point is that a national territorial policy must involve considerable participation to be viable, and we are engaged in a process of social learning as to the modes of this participation. Rather than a master plan for the process of policy formulation, we need to view the process by which policy will evolve in the future as itself evolving.

What groups and institutions must always be brought in and how? Which groups and transitory institutions must be brought in episodically and how? Who speaks for whom? How can processes be devised by which mutual advantage and accommodation are accomplished, rather than facing participation by protest and immobilism by veto?

Policy Formulation and Policy Evaluation

A distinction must be drawn between policy formulation and policy evaluation. Policy formulation is a creative act, sometimes representing the best in political leadership, a sudden insight based on deeply held principles, sometimes a technical advance which may seem obvious to some because of their deep familiarity with the structure of the society and the nature of the problems. In either case, policy formulation is an act of social invention, synthetic and unexpected, although it may seem ripe and obvious in retrospect. It may originate with the political leadership, with technical personnel, or with an outside group. It may sweep all before it and be accepted immediately, or it may hover in the wings for decades to be accepted slowly, suddenly, or not at all. Policy evaluation, on the other hand, is more of a routine task, although a difficult one. There is then something to address, about which to cast fortunes and search for implications, to test for feasibility and consistency. It may be hard to tell if a policy will do what it proposes, and what unanticipated consequences may attend it, but these difficulties are largely technical and the task will be done as well as possible within the state of the art and the competence of the technical staff.

In general the act of invention of policy is rare, while evaluation (done well or badly) is an ongoing process. But the two share in making concrete more general statements. An instance of this would be the conversion of a general goal such as equity or environmental

integrity into a specific set of objectives: how much of what, for whom, by whom, and how fast? The process of evaluation may yield from time to time this type of advance, rendering a generally held concept into a concrete objective and basis for evaluating performance. This type of advance is the opposite of misplaced specificity. It stems from an increasingly deep understanding of how things work and of what matters, and typically, although it seems obvious after the fact, it is the product of years of experience and the net of the elimination of many false starts. Political leadership and technical analysis are two aspects of the same reality. Significant advances in policy or goal formulation usually come from their interaction, from a better understanding of the realities and a deeper insight into our purposes.

Implicit Territorial Policies

The relation of territorial policy to other national policy is a particular thorny question. Hardly any governmental action, whether legislative, budgetary, administrative, or regulatory escapes having implicit territorial consequences. The illustrations of this proposition are myriad, and only a few will be offered here to make the point:

- Macroeconomic policy, whether monetary, fiscal, or based on direct employment by the government, affects regions quite differently. For instance, monetary policies affect the cost of public and private borrowing and affect most sharply fast-growing regions. Tax credits on capital investment affect primarily regions whose economic structure is based on capital-intensive industries which can undergo rapid expansion.
- Agricultural policy quite obviously affects rural regions, and less obviously it appears to have affected urban areas by encouraging capital-intensive farming and accelerating rural to urban migration. Most recently, it is seen to influence foreign trade and balance of payments, and with that most other aspects of our national life, including the prosperity and activity of rural regions, the demands upon our transportation system, and by second-order effects, such matters as our cost of living and the adjustment of labor costs throughout the economy.
- The drafting of young men into the military increases their later

propensity to move.

- Fare, route, and schedule regulation of air travel affects the location of industry by determining the pattern of accessibility for key personnel.
- Three almost continuous decades of military activity in the Far East have deepened the westward tilt of the national development.
- The liberal treatment of living and entertainment expenses is the basis of considerable service activity in major urban centers and may be an important factor in the location of certain service and management activities as well as the siting of conventions.
- Welfare, guaranteed income, and other forms of transfer payments have important effects on population mobility, although the direction of their effect is a matter of much debate.
- The massive investment on a national highway network in the last two decades is viewed by many as the most significant territorial policy of the recent past. Similarly, national policy, legislation, and regulation of cable, microwave, satellites, and related technologies of information transmission are undoubtedly setting the locational matrix for the postindustrial society in the future.

In sum, as national territorial goals are but a geographic perspective of general national goals, national growth or territorial policy is the geographic dimension of all national policy. It is thought by many that direct territorial policies, such as those addressed to depressed areas, central cities, and new towns, are quite small and ineffective by comparison to the sweeping and pervasive force of implicit policies. In this sense, the question is not whether the nation will have a national territorial policy, but what kind of a policy. If the territorial consequences of implicit policies go by unexamined, or are examined only in episodic expressions of local or industry self-interest, the result will be a national territorial policy which is disjointed, accidental, and unlikely to conform to national purposes.

The coordination of direct policies is addressed by such devices as Regional Commissions, the experiment of the Urban Council, and such proposals as the Ash reorganization of the federal executive into super departments. Whatever the merits of these or other approaches to

direct policies, they do not grapple with the problem of indirect policies. Clearly policies which are indirect from the perspective of territorial concerns are directly addressed to other concerns, and cannot be expected to be subordinated to territorial considerations. Counter-cyclical policy, military actions, foreign trade, and many others must basically follow their own logic.

How then to take account of their territorial aspect? One possible line is to examine legislative, budgetary, administrative, and regulatory actions for their territorial impact and the conformity of this impact with the objectives of territorial policy. That is to say, for instance, that counter-cyclical moves be examined for their differentiated regional consequences, and that these consequences be made known publicly. This does not mean that such policies will be thereby changed, although there may be occasions in which lesser or greater adjustments may occur. Rather, the purpose is to inform the public, the legislature, and various agencies of these various agencies. Where the unintended consequences run counter to national territorial purposes, it may sometimes be possible to modify policy or to take compensatory action.

In a sense what is being proposed is somewhat analogous to the environmental impact statement procedure which has been recently instituted. The purposes of the action on which the statement is filed are not usually in themselves environmental, and the inventory of environmental consequences may have no effect on the action, even in cases where these effects are detrimental. But it serves to alert to these consequences, to inform those affected and allow them to be heard.

Title VII of the National Housing Act directs the President to present to Congress on alternate years a Report on Urban Growth. The language of the Act suggests that this report would focus primarily on direct policies. This seems appropriate in that the President, as Chief Executive, presides over the diverse direct programs and is responsible for their appropriateness, effectiveness, and coordination.

Yet, taking note of the special relation of a territorially organized Congress to implicit territorial policies, it would appear useful to have an agency less directly linked to the executive branch

which could report directly and frequently to the President, to Congress, and to the public on territorial problems and on the implicit territorial consequences of diverse national policies. This reportage would include analysis of proposed policy and pending legislation, of regulatory commission decisions, and of administrative practices in the implementation of existing legislation. It would also include longer-range studies of the consequences of long-standing policies and of emerging problems. It might also extend its activities to surveys of public preferences and perceptions of problems, including canvasses of diverse citizen groups and public agencies. Such an agency, which might be called a national bureau of territorial analysis, would emphasize implicit policies, thus complementing the President's Report on Urban Growth.

For the establishment of such an agency it is worth noting that under Section 703(c) of the Housing Act, the President is empowered to establish an advisory board, composed of scholars and federal, state, and local officials, to assist in the preparation of the Report on Urban growth and any supplementary reports. Under this language it seems possible to create an agency such as that proposed. To perform the indicative functions of policy and problem analysis it would need to be established on a permanent basis with adequate staff. It would be clearly important that the funding of the agency be general and long-range, since its purposes are to an extent evaluative and its functions may at times be those of criticism. Obviously, such an agency could not maintain its integrity if dependent on grants and contracts which would thrust it into a client relationship.

Evaluation of Policies with Respect to National Goals:

National Overview

Of course the formulation of national territorial policy cannot be limited to an exploration of the unintended consequences of implicit policy. The organization and detailed specification of the modes of direct, positive policy is a topic too large for this paper, particularly in view of the great range of institutional and procedural alternatives. Only a few general suggestions will be offered concerning the technical staff responsibilities, although they will be unavoidably

simplistic.

The development of technical capacity will be a slow process, requiring a period of years for the working out of institutional relations, development of personnel and procedures, and the accumulation and sifting of data and other types of information. These matters will take time, as will the necessary development of practical experience and of operational theory. In general, rather than viewing the present as the opportunity for the institution of an available process which is well understood and ripe for adoption, it seems more realistic to view whatever is done in the near future as the beginning of a learning process. In other words, the initial steps must be taken with a view to their adaptability as experience and capacity increase.

One aspect of this learning process is the continual evaluation of ongoing direct territorial programs according to the general goals and the best available knowledge about the functioning of the social reality. This, of course, appears to be a truism, but any one familiar with government operations knows that it is not often done.

As a point of departure, the various programs must be summarized together, including their disaggregation into localities to insure that the totals are consistent. This step may seem trivial and obvious, but it is seldom done and can be surprisingly effective. For instance, aggregation of local and regional plans of industrial development may reveal that they cannot be realized because they exceed credible projections of employment in the target sectors. Similarly, simple aggregation and display of totals and relevant partitions of population, budget categories, and so forth, can be extremely instructive and on occasion a powerful signal of the need to revise local and national targets.

The requirement of consistency of aggregation can be the fulcrum for other elements of technical planning. Most obviously, consistency of aggregation is a first step toward consistency of functional relations. For instance, a certain rate of population growth presupposes a certain rate of investment in housing and other forms of infrastructure. Development of a port presupposes development of access roads and highways. Development of certain industries supposes development of other industries, in the same locality or elsewhere,

linked to it by input-output relations. In general, consistency of aggregate totals is a first step, while development of functional models of interdependence is a much more ambitious undertaking to be arrived at by degrees.

In order to arrive at national aggregates a vital requirement is that there be consistency in the reports of the elements. Establishment of such a uniform system, with similar units, target dates, and so forth would be a formidable undertaking, but it is almost an essential for the articulation of a national policy. Changing the ways in which bureaucracies work is a very hard thing indeed, but there has been some recent encouraging experience in local compliance in applications for federal programs.

Thus far the function described is the deceptively simple one of consistency of aggregate totals, without reference as yet evaluation in terms of the cost-effectiveness of the programs or their proper aim in terms of national goals. Yet this, in requiring uniformity of reportage, sets a style and manner for the development of these more refined criteria. The format of reporting should require data which is useful for evaluating the contribution of the local components to the more general national goals. In simple words, the information to be gathered should tell things that we want to know, and the format should be developed (and changed as necessary) in conjunction with the development of criteria of performance with respect to goals. At the same time it must be recognized that many things that one might wish to know cannot be provided, and that many key evaluations and much of the information for decision are a proper part of the political process discussed above.

Beyond these procedures of national accounting overview, the technical planning might undertake to an undetermined degree evaluative analysis which is closer to the formulation of policy. Instances of this would be policy experiments with econometric, demographic, land use, and transportation models; setting for national evaluation shadow prices on different types of labor and other factors, or discount rates on capital, or ranked priorities. Such technical activities merge by degrees with political decisions and the formulation as opposed to the evaluation of policy. This is the interface between the

technical secretariat function and the political process.

This account of the technical planning process, although modest, may contribute something to the dilemma of conflict between national and local perspectives. For instance, if the local no-growth attitude becomes widespread, it might reveal the inconsistency of local, regional and national plans and estimates. It is in trying to render these views of the future consistent that the political process comes into play, as it becomes clear what consequences the decisions of some have upon others and the general interdependence of the elements.

However, it must be recognized that the processes of political mediation and bargaining will sometimes fail. Recourse to the courts may play a more prominent part in the future than is commonly imagined. Early attempts to exclude low-income migrants into California were thwarted by the Supreme Court 1941 decision in *Edwards v. California* which held that the right to move from state to state is constitutionally protected. More recently, the Court invalidated comparable attempts by states to keep the poor out through residency requirements for welfare assistance in *Shapiro v. Thompson*. A variety of other court decisions appears at play in a rapidly evolving legal conception of the interdependence of interests. For instance, the New Jersey Supreme Court ruled in the 1971 *Madison* case that the general welfare of the region in which the township was located was to be considered. A variety of other arguments and cases, including *Serrano*, *Ramapo*, *Mount Laurel*, are finding their way through the legal process, and the courts appear to be concluding, with students of urban and regional development, that attempts to curtail growth are generally exclusionary and regressive, and striking down the zoning and related legal mechanisms on the basis of unconstitutionality.

These instances are all in the vein of local efforts to stop growth of various kinds. Other issues are likely to arise over the years, as yet largely unanticipated. The pro-growth philosophy of some localities has given rise to anti-pirating provisions in some federal laws, and to questioning in the courts of advantages offered to private industry by localities making use of tax-free bonds. The likeliest form of the issue in the future would seem to be not whether to be for or against growth, but in local strategies for the selectivity of

growth; in parallel fashion there may be issues dealing with preservation of ways of life, with ecological issues, and with internal distributional issues. In general it appears that the grounds for legal redress are based on equal protection, on the public interest, and on restrictions to freedom of choice. In economic terms, these become issues of equity, of externalities and interdependence, and of freedom of entry and exit.

Thus it is conceivable that many of the issues of national territorial planning will be resolved not entirely by technical planning or by political processes, but also by the process of legal decisions which explicate the implications of the Constitution in this area. Serious consideration should be given to the initiation of legal action by the government where such conflicts are not resolved by normal political processes, both to advance particular programs and to clarify the constitutional issues that may arise. Indeed, if the observation advanced earlier is correct that Congress is to play a special part in territorial policy formulation because it is the only territorially constituted branch of the national government, we may expect that constitutional issues may arise as to the roles of the executive and the legislative in this area. In general it may be expected that there will be significant interplay among the three branches of government in the establishment of a process of national territorial policy.

Configurations, Grand Policies, Policies, Programs, and Projects

Trying to distinguish between programs, plans, policies, and the like often leads to those higher levels of abstraction and confusion from which it is hard to return. Nonetheless, some attempt at differentiation is needed here, principally to distinguish among approaches to territorial planning.

The most common form of territorial planning, when there is no operational responsibility is the master plan or configuration. These are pictures of the future, often drawn in sharp detail, which may propose, for instance, the holding of present urban concentrations to their present size and the development of a hundred new cities away

from present concentrations to hold future population increases. They are akin to what was called in Section III "demographic balances." They generally stress land use, population distribution, and the location of capital investment, particularly infrastructure capital. Their weakness tends to be that they bear no clear relation to national objectives and that they neglect much of what is known about social and economic behavior. They either ignore the question of how to get from here to there, or else they take a voluntaristic attitude: "We can arrive at this desirable future if we really want to." In the words of one of the great exponents of this style, LeCorbusier, implementation is no problem: "Let us roll up our sleeves and get to work."

The evaluation of configurations is quite difficult, because they generally propose radical changes. Most techniques of evaluation are based on marginal changes of a well-established system, and cannot cope with confidence with large quantum jumps. Further, proposed configurations, while offered in detail in some of their physical aspects, are usually quite unspecific on their social and economic dimensions. Therefore the evaluator is faced with having to invent that which he should be evaluating, usually with grave doubts as to the realism of the social and economic processes postulated. It is something like trying to evaluate a Rorschach test.

It is sometimes suggested that a comparison be made of the costs of housing, streets, etc., for extensions of present urban areas of different sizes and for new urban areas, and occasionally specific figures are mentioned. However, the available figures are extremely doubtful, for several reasons. No detailed study has been made that makes possible the assessment of marginal versus average costs. No American studies document carefully what has been included or excluded in the estimates. It would appear that investment in private utilities (such as telephone) is usually not included, or major facilities such as interregional highway and airport investment, port and warehouse facilities, etc. Most such figures quoted appear to refer to capital investment in residential facilities and such closely related residential services as schools and fire stations. However, no study available makes clear the standards assumed, the reasons for the standards, or the variability of costs with standards. No study relates these

initial investment costs with variable costs of operation, maintenance, administrative overhead, etc. In brief, no reliable figures are available.

The difficulty is not only one of data. It is also one of theory. For instance, the value of land is in some studies counted as a cost, while others (usually transportation studies) count it as a benefit. The matter is a difficult one that goes back to a classic debate between Malthus and Ricardo and remains unresolved. It is rendered more difficult if the matter of opportunity costs in local and total land values under alternative configurations is considered. Similarly, such locally variable costs as labor may have disputed interpretations in terms of real as opposed to money costs. Lastly, on the matter of costs, there is the difficulty of distinguishing historically experienced costs (which relate to construction over time under changing conditions of technology, of relative factor costs, and of value of the dollar) with estimated costs of major new undertakings (which are subject to many uncertainties and are traditionally prone to overruns).

But the matter of capital costs of alternative configurations is only part of the problem. Capital costs are only part of total costs. If a particular configuration could be shown to be less costly, this would be a recommendation in terms of the efficiency goal, but a partial one. In terms of the efficiency goal one would have to know the differences in total product (by reason of transportation effects, agglomeration, scale, and factor mix effects) against which to compare these costs. Obviously what matters, from the perspective of the efficiency objective, is the net of product and costs, and the least cost solution may not be the most efficient.

But the efficiency goal is only part of the prosperity goal, and that, part of a larger set of goals. No configuration appears to have been evaluated from the point of view of its effect upon development or foreign trade. Although some proposals make reference to the problems of the urban or the rural poor, none has made a detailed study of their equity implications. Although some configurations claim that they would advance the quality of life, they seem to do so out of apostolic conviction. No configuration appears to have been analyzed

with any systematic care in terms of the quality of life that might be expected. On the environmental goal, it would appear that more has been done, particularly in terms of land conservation, although not very much in terms of concrete biological and resource cycles. Finally, as is to be expected, the defense goal is normally not included.

The prospects of improved evaluation on these various fronts are not encouraging. More might be done on each, but there can be no realistic expectation that any proposed configuration could be adequately analyzed in terms of national purposes, both because of the low level of our technical knowledge and because sufficient specification of the necessary details in any configuration would be a job too big to be realistically contemplated.

There is a further and fundamental difficulty in the evaluation of configurations. Any configuration that presents a significant departure from present patterns must of necessity present a picture of a future some decades distant. Therefore, although the comparison of that future with another is far from uninteresting, it is likely to be less important than the issue of how to arrive at such a future. What sacrifices will be needed? What controls? What inducements? What will be the movements of people? What will the experience of change itself be like? A thousand such questions present themselves, without ready answers. But, given the uncertainty of any given figure and its low present value by discount, the questions involved in the trip are likely to overwhelm questions as to the destination.

Probably the most feasible technical evaluation of configuration would be a demographic one from the perspective of a national overview. Enough is known about the behavior of gross migratory flows and the propensity of recent migrants to migrate again, that it would be feasible to estimate the flows necessary to establish the population distribution of a proposed configuration. These necessary flows could then be compared to the known behavior of historical flows to determine their plausibility. Although this would be expensive and laborious, it would appear doable, and would be an easy matter if there were an ongoing set of national interregional demographic accounts. The result of this analysis would not be, of course, an evaluation of how well the configuration serves national purposes. It would merely

give a perspective on the likelihood that the configuration is an available alternative, but this should be quite valuable for eliminating or modifying some proposals and for providing an intuition of how large a departure from present trends would be necessary to get from here to there.

The impossibility of a thorough evaluation of a configuration may seem discouraging, but it is necessary to keep in mind that the social function of any proposed configuration is not likely to be its realism. Rather, its function is to make vivid an alternative, even if it is not an available or preferred one. Its function is to stimulate the public imagination, to provoke debate, to open minds to new ideas.

Very often a configuration can be shown to be impossible, or to be counterproductive in many ways. Yet it is valuable if in the process of being chucked out it gives some better understanding of how things work or what we want. Its role may be to articulate some aspect of national purposes in a way that makes it graspable, so that thereafter it can be a functioning part of political discourse. This has been the role of utopias and anti-utopias, and is likely to be the role of proposals for particular configurations. To demand from them realism or feasibility is to misjudge their function.

Whereas configurations are a picture of the future, however improbable, I propose the term grand policy for an overarching purpose, more specific than a goal but more general than a particular policy. An instance of such a grand policy was the modernization of industry in postwar France. In American history there have been many such: the opening of the West, the creation of a class of independent farmers, reunion after the Civil War. In the United States today there are several suggestions of such grand policies, articulated and accepted to different degrees. One such is to increase the degree of local self-determination, as instanced in the New Federalism. Another is the revitalization of the countryside, as instanced in the Rural Development Act. Another is environmental purity, as instanced in various laws and much public sentiment.

This paper will not comment on the realism or desirability of these grand policies. Rather, it will take the opportunity to suggest three others, which might be termed modern frontiers:

1. *The reintegration of the South into the nation.*--More than a century after the Civil War the South remains poor, dependent, and flawed with feelings of inferiority. In recent decades a vigorous departure can be seen in its industrialization, its urbanization, and even in the solution of its social conflicts. Many problems remain, but the achievement of parity in economy and national identity for this region may be viewed as a major national challenge.

2. *Easing the transition to the postindustrial society.*--Many of the territorial problems of the nation stem from the lags and difficulties of adjustment to a rapidly evolving economic base which requires new patterns of skill, organization, and geographic distribution. No comparable society has existed in human history, and few guidelines exist. But within the general context of unchanging national goals, focus on this theme should heighten its benefits while reducing its costs, which often seem to fall on those least able to afford them.

3. *Cultural maturity of national cities.*--Although there are now a number of national cities throughout the country, the Eastern Megapolis dominates publishing, broadcasting, the arts, and many other creative pursuits. Other major cities stand in relation to this Megapolis as it did itself towards London and Paris at the turn of the century, as provincial outposts whose considerable creativity lacks self-assurance and legitimacy unless it is recognized at the Center. Development of the institutions and spirit of cultural maturity of the national cities in other regions would greatly enrich the national quality of life.

Although many aspects of such grand policies can be subjected to analysis, and the more detailed policies and programs under such an umbrella can be more closely analyzed, a grand policy requires the highest level of political leadership, a sustained vision, and general consensus. A grand policy is a major theme of national purpose, whose concrete manifestations can evolve over time. The conditions can be documented, the instruments can be examined, and attitudes can be explored, but the national will lies in the political rather than in the technical realm.

Evaluation becomes more feasible as the issues become smaller and more concrete. Thus, in the case of projects, the Corps of

Engineers has a tradition of decades of economic evaluation. These evaluations have sharp limitations, of course. In the first place, the dominant mode is the cost-benefit analysis, or such variants as cost-effectiveness. This technique, as commonly used, addresses itself to the efficiency goal within the prosperity goal. Some attempts have been made to extend the analysis to the equity goal, and to the environmental goal. In some cases there have even been attempts to include quality of life considerations. In recent years "program analysis" has been the label of much work, and other approaches, such as PPBS and "analysis of service delivery systems," have their practitioners.

In general it must be recognized that there are no well-developed evaluation techniques for most of the issues raised in this paper, so that the evaluation (which is sometimes undistinguishable from policy formulation) is more of an art than a science, calling for great technical inventiveness in most cases and involving at least as much judgment as agreed-upon methods. In general, the most advanced practitioners and theorists seem to have lost much of the early positivist faith that everything could be measured and that technical analysis could resolve all questions. The enthusiasm of a few years ago for cost-benefit and PPBS seems today quite naive, and the hopes of many of those who today place their faith in the development of "social indicators" are likely to be disappointing.

The reasons for this retreat from faith in technical planning and evaluation are many, but some of the principal ones can be sketched out here. First, most social problems are complex to a degree that the applied social sciences had not realized: the actors involved are many and more diverse, their motivations more subtle, their interactions often unanticipated. Consider, for instance, that dynamic programming can only cope with less than a handful of control or policy variables, and compare this with the thousands of choices, shadings and permutations possible in a real policy situation. Similarly, the applied social sciences use simple concepts such as price, capital, trips, industries: compare this with the multitude of considerations involved in a business transaction, with the ambiguity of what is real capital, with the great variety of modes of interaction, and with the variety of products and activities even within a single category of the

4-digit SIC classification.

A second reason, or rather set of reasons, for disappointment has been the recognition that the data are much more prone to error than had been previously realized (note the debates as to errors in the Census), and that numerical errors cumulate very fast in the arithmetic operations of analysis. Related to this, particularly outside of economics, is the sobering realization that measurements without theory have no meaning (or at least their meaning is not known), and that in many of these areas there is no theory worthy of the name. Without theory, too, there is no valid way of putting numbers together.

In territorial issues these general problems become compounded because of geographic disaggregation. First, data will typically be weaker for small units because of sample size and boundary problems. Secondly, territorial disaggregation explodes the combinatorial complexity of many problems. To illustrate, a 20-sector national input-output table has 400 flows; if this level of sectoral detail is disaggregated into 10 regions, the number of flows goes up not 10 but 100 times to 40,000 flows. Cost and complexity go up as data quality goes down.

A third reason for retreat from faith in technical planning is the realization that planning done in a vacuum tends to remain a technical exercise. This realization is somewhat comparable to that of the physical sciences that object and observer interact. There is need to take into the planning process the policy-making and implementing institutions, the clients, and others affected. They must enter not as the objects of social engineering but as participants who bring in their insights, their interests, their criticism, their power, and their limitations. In other words, that technical planning is not outside the political process but is one of the elements of that process.

A simple illustration of many of these problems is afforded by the slow evolution over a period of decades of two indicators, family budgets and the unemployment rate, recently analyzed by J. de Neufville. These apparently straightforward measures have important political and operational significance. Their slow evolution involved technicians and statisticians, of course, but also involved government

organization for their measurement and dissemination, and their structure and use was defined as much by Congressmen, labor and business, reformers and other interested parties as by the technicians. This was because they mattered a great deal and because their use and interpretation proved to involve profound social questions which lay beyond technical analysis. If this has been the history of these seemingly simple indices, the implications are clear for more complex analysis, where it is truly important.

This discussion of the limits and social history of what may be called scientific technical planning should not be interpreted as its rejection. It is merely a judgment that hopes for it are often excessive and simplistic. In territorial planning they are particularly so because in this area the architectural tradition of master plans, for many years and even today the dominant style of city and regional land use planning, constitutes a dangerous precedent in its emphasis on technical planning divorced from the political process and in purposely setting firm targets immune from revision. As we seek to define the role of the national government in this area of policy in modern times, there is a temptation in reaction to uninformed politics and implicit policies to overshoot toward the technical end, either to the espousing of master plan configurations or to accepting the phantom of a total scientific solution. The real problem is that of finding the balance to their mutual benefit of technical planning and political processes. Each can inform the other.

In the following pages there will be offered a brief and non-systematic review method of technical evaluation, organized by national goals, together with some suggestions for some lines of development. Before entering into this discussion, a terminological disclaimer is needed.

First, the distinction between policy evaluation and formulation is an elusive one. Although all of the techniques are of evaluation, in fact policy tends to be an evolving process and insights from evaluation often lead to policy reformulations. But there are instances of policy formulation which are creative acts and for which no formula exists.

Secondly, the alliterative set of policies, plans, projects,

and programs also proves a semantical thicket. In general usage, policy is a general statement of what is wanted and what sorts of things are to be done, while the others state this in more detail and are in effect statements of what is to be done in particular cases. But in any hierarchical organization, such as a modern government, one man's policy is his superior's project, so that the distinction depends on the point of view. Plans, in general, are collections of programs and projects orchestrated to pursue some policies. But, again, the distinction depends on hierarchical level. Finally, the distinction between project and program seems to be, in common usage, based on capital-intensiveness and duration. A project usually is capital-intensive, such as a sewer facility, or of short duration, such as relocation of a group of people, or both. Programs tend to be services and labor-intensive, such as training programs, and of indefinite duration, such as medical research, or both. But the distinction is often blurred. In the following discussion the distinctions will not be systematically maintained.

Evaluation: National Prosperity

The national purpose of prosperity was subdivided into (a) efficiency, (b) development, and (c) foreign trade. The techniques available address primarily the matter of efficiency. The principal technique is cost-benefit analysis and it has several variants. It amounts to estimating the discounted present value of increase in GNP of some contemplated action. The discounted costs of that action are compared to the benefits, either by ratio or by difference. In other related techniques, where an objective is set whose benefit cannot or will not be measured, alternative programs or projects are evaluated essentially on a least-cost basis for achieving that target. While many problems of technique, theory, and information remain, this approach is probably the most developed evaluative technique. In territorial questions the main difficulties have to do with boundary problems of the region of accounting, with the problem of shifting populations, and with the problem of effects external to the region being considered.

Thus, a project for a region may consider as net benefits

increases in regional product which may be only regional transfers in a national context. A common instance is in estimating the direct and multiplier benefits on a region of tourist development. This is a demand-based type of effect. If we exclude international tourism, on a demand approach the dollars spent in this region are not spent on the region of origin of the tourists. Hence, neglecting possible differences in the regional and national multipliers, what is spent for tourism in this region is not spent for something else (movies, bowling, food) in the region from which the migrant comes. Thus, presumably, there is a negative multiplier in the region of origin. The effect is one of interregional transfer in the location of demand and its multipliers. There is no net national effect. Thus, in this frequent case, a national distributional effect, related perhaps to the equity objective, is confused with a national efficiency effect. In other words, growth of regional product or efficiency is confused with national growth. A similar instance of this confusion occurs in the Forrester "Urban Dynamics" model.

The regional boundaries problems is a similar one, except that the issue is not that of the nation versus the region but that of a greater or lesser definition of a region. Costs or benefits which lie outside of a particular definition may be neglected. Prime instances of this are intra-metropolitan questions relating to central city decline or the wish of affluent suburbs to stop their growth. Similar issues arise between favored growth centers and their hinterlands. Here, again, the issue which seems one of local growth or efficiency becomes a distributive one from a larger regional perspective.

Both of these problems with the applications of cost-benefit analysis are problems of the confusion of costs or benefits for some within a designated region with net costs or benefits for the national whole. The problem of shifting populations is both more difficult and deeper for territorial policy. Consider a successful designated growth center, where a set of governmental actions promote economic growth. For the sake of argument, but relating closely to social science findings, suppose that most of the good new jobs go to people from prosperous regions who have moved to this region as the direct result of these programs. The original residents of the region continue

to outmigrate in part. Those who remain find themselves disadvantaged because as labor they are competing with more sophisticated workers. As consumers, they may face sharp local sectoral inflation in housing, certain types of food and domestic labor, and a shift in retail patterns aimed at the newcomers but ill-suited to their needs. In such a case, accounts for the region might well show increased incomes, lowered unemployment, and greater value of fixed assets above new investment. But the original residents, whose plight set off the program, may be worse off--or at least many of them. This is what has been called the territorial fallacy: confusing the fate of enumeration districts with the fate of people. Many other instances can be imagined or documented, such as the fate of the original residents of urban renewal projects. Indeed much of the debate over urban renewal was based on the difference between those who carried their books by people and those who carried their books by places. Some of the growth center commentary, if growth centers become important, may be based on the same distinction.

To avoid confusion, a counter-example is needed. Consider a place, perhaps not untypical, where the best of the young leave. Its population and its income per capita are declining. But it may well be that those young who left are better off--indeed most data show that they would be--and that those remaining now can get better jobs because the competition is less tough. They would now have better jobs than they would have without the decline, and so they would be better off. In this case, falling population and incomes argues, contrary to the obvious conclusion, that those who left and those left behind are better off. Most cost-benefit analysis would miss this, because the convention is to carry the books by the region rather than by the people.

The evaluation within the foreign trade component within the prosperity goal would not appear to present other major difficulties, although such studies have not been carried out to my knowledge in this country. What is required is to balance the plans and projections of foreign trade with territorial inventories, plans and projections, taking into account domestic demand. Imbalances by sectors and commodities would require action on one or the other front.

No technique and few precedents are available for the evaluation of the developmental element within the prosperity goal. Since this element deals with innovation and invention in the things we do and the way we do them, it involves forecasting creativity. A literature exists in technological forecasting, involving such techniques as the Delphi Method and statistical extrapolation of system performance characteristics. Although there is considerable activity and interest in these techniques, especially in Europe, they are at best less than fully developed and to my knowledge have not been applied to questions of territorial planning. The social sciences have often studied the origin and diffusion of innovations. Economics outstandingly so some time ago, by such as Schumpeter and Kuznets, but less actively today except for economic historians. Sociology too seems to have concentrated on this topic at an earlier time, through such as Ogburn and Merton, but not in recent work. A great deal of current work is now being done in geography, more on the diffusion of innovations than on their origin. There may be useful insights for the formulation or evaluation of policy in some of this work, particularly that of Allan Pred, but this must remain a hope for the future.

Developmental change is easily seen in retrospect, but it is hard to anticipate. Consider the great instance of the enclosure movement in Britain. As land was shifted from crops to sheep, vast numbers of people were displaced and flowed into cities. The agricultural revolution created the concentrations of people and social conditions which set the stage for the industrial revolution. Yet when Parliament was passing Enclosure Acts it had no conception of these further developmental effects. More closely at hand, Daniel Boorstin's *The Americans: The Democratic Experience* is an excellent account of many of these developmental strands in our history in production, in consumption, and in social organization. That we have weak techniques to anticipate the effects of policy on development is undeniable, but every effort should be made to make the best judgments and projections of the consequences of territorial policies on development, and of development upon the national social landscape.

Evaluation: Equity

Some discussion of the problems of the evaluation of equity was included in the discussion of this goal in Section IV and will not be repeated here. Issues discussed there included the distinction between equity of minimum standards and equity of formal equality, equity in income and equity in the access to public and semi-public services, short- and long-run aspects of equity, reference groups for the evaluation of equity, problem and system approaches to equity. Here only an additional suggestion will be made concerning the possibility of unfolding cost-benefit tables to shed light on equity matters.

The technique of cost-benefit analysis, as has been mentioned, is addressed to the efficiency objective within the prosperity goal, and in effect measures the effects upon GNP of some contemplated event or action. Because its focus is upon this aggregate national measure of material welfare, it does not distinguish as to who gets what benefits or who bears what costs. Yet, although it is never done in a systematic fashion, one could conceive and in some cases actually carry out a disaggregation of the subjects of these costs and benefits, whose summation would be the traditional form of presenting the results. Costs and benefits would be listed by their incidence. The precise manner of disaggregation would vary with the problem at hand, but in a territorial issue it should minimally distinguish among (a) those residing in the area both before and after the action, (b) those residing in the area before but not after, (c) those who move into the area after the action, and (d) the rest of the nation. Consider such a simple disaggregation in the case of the common urban renewal projects of the last decade, or in the case of public promotion of growth centers, where it appears that the main beneficiaries are sometimes new migrants into an area rather than the original population whose plight the program was intended to alleviate.

Of course, other forms of disaggregation may be relevant, such as ethnic groups, or income or age groups, or entities such as businesses, or farmers, consumers, and so forth. The disaggregation might reveal, for instance, that a small national cost or benefit is actually the net result of large costs upon some and benefits upon others.

Some writers on this general area, notably Weisbrod, have

suggested the use of weights upon these distributed benefits, so that benefits or costs accruing to poor people would count more heavily than those accruing to the well-off. This approach might be linked to that suggested by Eckstein and Mera, of using the marginal rates of personal income tax set by Congress as a national expression of the dollar equivalents of a constant marginal utility for various levels of income. This would provide a set of weighting factors for costs and benefits going to various income groups.

A related matter concerns the use of group-specific time preferences to estimate the present value of streams of costs and benefits. This matter seems to have been neglected within the literature of applied economics although considerable sociological evidence exists to suggest that the subjective rate of time discount is greater among those of low income than among the rich. From a point of view of equity this appears most important. For instance, use of a low rate of discount (often advocated on the arguments for a "social rate") will favor long streams of small benefits over short streams of large benefits. But this may not be the perspective of the poor. To take some instances, a low rate of discount will favor the construction of few but well-built units of public housing; a high rate will favor the construction of more although more perishable units. A low rate will favor long-lived capital installations, such as dams; a high rate may encourage subsidies to direct job formation. A low rate in vocational training will lead to concentration of effort on the young and neglect of older workers who may be displaced; a high rate would argue for more extensive retraining of older workers. The actual rates of discount of particular population groups may perhaps be empirically determined by examining the rates at which they are willing to borrow in time-payment purchases and other aspects of their daily life.

Either of these two approaches, or both in combination, are of interest in the evaluation of the equity dimension of contemplated public actions. Traditional cost-benefit is defined to measure along the dimension of efficiency. These modifications of the approach would serve to measure along the equity dimension. For instance, if the costs and benefits for different groups are discounted by group-specific rates, then they will not add up to the same total as that of the

traditional analysis which uses a single rate. Thus, it should be clear that what is being proposed is not the replacement of traditional cost-benefit analysis but a possible complement for measurement along the equity dimension.

Evaluation: Quality of Life

Evaluation of the quality of life is probably the most problematic area at this time. Distinguished scholars such as O. D. Duncan and important centers, such as the Michigan Survey Research Center, are devoting much of their energy and enthusiasm to this topic. Yet the level of consensus is very low, as demonstrated, for instance, by the recently published book *The Quality of Life Concept: A Potential New Tool for Decision-Makers* (The Environmental Protection Agency, Washington, D.C., 1973). The problem is not so much, as is commonly supposed, the difficulty of measurement or the unavailability of data. In this respect, although there are undoubtedly many problems, it is really quite remarkable how much data are available or can be generated on a variety of aspects related to quality of life. These include data on attitudes, on fears and expectations, on preferences, on life histories, and so forth. And the sophistication and ingenuity of social science inquiry in this area is continuing to develop.

The problem, rather, is the lack of theory that will establish what numbers are important, and what combinations of numbers have meaning and matter. Without theory, we are awash in a sea of numbers (some of them quite costly to collect) telling about this and that. The problem then is twofold. In the first place, no number can be clearly interpreted, and apparently clear interpretations must be mistrusted. Is the current decline in crime rates the result of law enforcement, of reporting, of the construction of crime indices, of the temper of the times, of the declining proportion of the young? Is reported lessened happiness or satisfaction the result of a deterioration of the quality of life or a reflection of greater expectations and awareness of shortcomings? And so forth. The other side of the problem is that the sea of numbers is too large for comprehension, and indeed unbounded. Hardly any guidelines are available to choose the important ones, to sort out which ones are repetitions or combinations of others, so that

they may be discarded. Obviously, for understanding this objective a single measure would be ideal, but this is nowhere in sight. A few measures, between two and a few dozen, might be extremely helpful. But having some thousands of ambiguous measures is just overwhelming and nowhere near operational. Any honest inquirer will lose himself, any partisan will find those which suit him.

By analogy our social science establishment may be compared to a primitive man who, having been taught how to use a measuring tape, takes thousands of measurements of a squarish box, from any point randomly chosen to any other. These measurements are worthless to determine the volume or surface of the box. With a bit of training in geometry, three measurements along the basic dimensions of the box would suffice.

The consequences of this assessment of the state of the art in the evaluation of the quality of life are three. First, that we make the most intelligent and least dogmatic use possible of the available measurements and techniques, keeping a sceptical attitude toward their meaning. Second, that where technique is poor there is little legitimacy to technical analysis or proposals, so that full play must be given to the commerce of views and ideas of the political process, recognizing that spokesmen may learn from each other, from technical information, and from a deeper self-examination of their wants and motives. A third, that there is need for national investment for long-run search to clarify the structure and magnitudes of the issue.

A particularly important study, by Richard Easterlin, deserves mention to illustrate these circumstances. This provides a particular perspective of the relation of the prosperity, equity, and quality of life goals to each other. He finds that in a wide variety of studies in different countries and at different times as to how happy people feel, that poorer people always feel less happy than richer people within the society, but that as the level of the society's income rises the general level of happiness does not. In other words, that happiness depends on relative income, not on absolute income. This is a profoundly pessimistic finding that the effect of accomplishing the prosperity goal has no effect on at least an important aspect of the quality of life goal. But from the point of view of territorial policy

an intriguing question arises: income relative to whom? Does equalizing incomes within regions or among regions matter? If the income of poor regions is raised, will their poorest residents compare themselves to others within the region or to others in their ethnic group, social or occupational class, or their country? In other words, in this instance, which links prosperity, equity, and quality of life, we are brought back to the issue of definition of community or peer group. The answer, in reality, will not be clear-cut: all people are members of many communities.

The import of the example is that the analysis will have to have as many dimensions as there are communities of identification, that the political process must include representation of these diverse communities in the market of voices, and that the political process will have a special function in the definition of communities and the basis of their membership. In brief, that technical planning, particularly with respect to the quality of life, must serve the function of an intelligence secretariat to a rapidly changing political process. Purely technical diagnoses and solutions will be of necessity insufficient and brittle.

Finally, much can be learned about the quality of life by scientific research and by the particularities of socio-political processes, and this learning can inform the making of policy. But there ultimately remains a fund of deeper questions dealing with the human predicament, the tragic sense of life, the perception that the only thing worse than not getting what one wants is getting it. These rather humanistic prejudices are associated with the sociological observation that the greatest revolts and discontent occur as the log-jam breaks and the desired end appears in sight. Dissatisfaction with the quality of life may be intrinsically associated with its improvement, just as the improvement in the conditions of life may be associated with dissatisfaction with its level. The matter of the quality of life has been before us since man began to write, and it is so fraught with inner contradictions that it will not do to take a simple positivist position; conversely, it will not do to say that the matter in all its aspects is beyond empirical inquiry, and that therefore nothing is to be done. Rather, we must take the best intelligence, and

complement it with human processes.

Evaluation: Environmental Integrity

The evaluation of the environmental dimension is a rapidly developing field. To a much greater degree than the evaluation of the other goals it involves technical questions in the natural sciences as well as social issues, many of which are themselves technical issues in the measurement of behavior, attitudes and preferences. No discussion will be offered here of these technical matters. Rather, recalling the discussion in Section IV of environmental problems as failures in the market system, there will be some discussion of the variety of approaches being developed to complement or substitute for the market.

Many environmentalists are calling for legislation which sets limits or commands certain types of behavior. Many economists suggest instead that a better approach would be to use public power to set prices (usually as taxes or subsidies) in those areas where the market has failed to do so, or has set prices which differ from the value to the society. Then the market processes can take over and perform their function of allocation, resulting in a socially preferred solution. The economists' argument is that direct command or prohibition of behavior is too blunt an instrument, and point to the many problems of command, non-market economies, such as those in many socialist countries, with their misallocation, counter-productive unexpected consequences, and so forth.

Although the general argument for modifying rather than abandoning the market is persuasive to this writer, it must be recognized that the distinction is often a relative one. Socially determined prices for environmental goods must be set and enforced by some governmental mechanism which is not itself part of the market; in the command case, on the other hand, the penalty for not obeying is often some sort of fine, which is itself some sort of a price. Indeed we see in current federal legislation a mixture of both approaches.

At levels lower than that of federal legislation, one often encounters operating or regulatory agencies and planning bodies which, supposedly representing the public interest and embodying technical

expertise, set controls and effectively set prices in a host of matters including the operation and reclamation of land which is strip-mined, flight patterns of aircraft, the disposal of refuse, the use of fertilizers and insecticides, the sounding of car horns, the activities permitted in recreational areas, and a thousand others. In so doing, their decisions are quasi-judicial. They make specific decisions within the mandate of a more general legal framework. These require not only knowledge of the law but also technical and factual knowledge of the matter at hand. But they also require an interpretation of the public interest, which may not be always obvious. Consequently these bodies increasingly have sought to incorporate the views of the general or special publics into their deliberations, or have had consideration of these views forced upon them where they have not sought them. The principal processes by which these views are made known is by the incorporation of representatives into the decision-making body itself in some cases, or by the creation of advisory boards of public representatives, or by a more open use of the hearing mechanisms, or by social surveys, or by direct contact and negotiation with representatives of various groups.

What these various approaches have in common is the recognition that technical and legal knowledge is very often not sufficient to determine a best solution, and that the public must be heard from. Moreover, there is seldom a clear single public interest that satisfies everyone; rather there is a plurality of interests whose differences must somehow be mediated in making a decision. In effect, then, the public body becomes the forum for what Hirschman has called a "market of voices" in cases where the market does not operate. This market of voices serves to bring together the producers and the consumers of externalities. Although many of these bodies do not do this very well, they represent a particularly important evolving approach to the need.

In many areas, environmental as well as others, technical expertise is not sufficient for legitimacy because there is not any rule for stopping at a particular level. In the environmental side, there is no necessary technical level of purity of air or water, or an ideal number of breeding areas for waterfowl. In other areas, there is no ideal number of books for a public library nor an ideal rate of use of

a National Park. Various interests and multiple goals (efficiency, equity, environment, and quality of life) must be balanced. Thus, increasingly the various publics have been unwilling to accept the correctness and legitimacy of bureaucratic-technical standards and regulations and have insisted in having their voices heard. There have even been citizen's revolts involving local control of grade school curricula, highway design, and other matters. These developments, then, are experiments in the interface between the technical and the political in planning and evaluation.

A comparable evolution seems to be taking place in the judiciary. Increasingly the courts are willing to consider actions and hear testimony by representatives of some group or the general public who a few years ago would have been ruled to have no standing in the case. In nonlegal terms, the courts are increasingly recognizing the importance of externalities and the legitimacy of the interests of affected third parties. A large number of people may each be slightly affected, although the total effect may be considerable. It would not be worth any individual's time and money to establish a suit, since his own interest is too small. But a right which is too expensive to enforce is a right denied. In economic terms, one of the characteristics of many externalities is that they cannot be negotiated in the market because the transaction costs of the negotiation are larger than the potential gains of the many people affected. Thus, in their greater latitude in considering class action and public interest suits, the courts too are acting as brokers in a market of voices, evaluating public and private actions.

The Environmental Impact Statement requirement has been the most visible innovation in the process of environmental evaluation. It is a very strange and very interesting requirement with an uncertain future. It puts the burden of evaluation upon the proponent of the action, who must prepare the statement. Thus, human nature being what it is, it may be expected to be self-serving in many cases, passing over lightly or even falsifying unfavorable consequences. Even with the best intentions, the ramification of consequences is usually so vast and so complex that no reasonably sized analysis could be expected to anticipate them fully. Further, as has been repeatedly noted, the

meaning of the consequences will vary for diverse interests and in terms of various goals, so that the evaluation is not only technical but also political.

Under these circumstances, it is naive to think, as has sometimes been done, that an Environmental Impact Statement is a technical document which can be used for evaluation and the cost of which is borne by the proponent. It is bound to be incomplete, imprecise, and slanted. Its main function, it will appear, will be to serve as a lightning rod over which markets of voices can operate in agencies, in the courts, in the press, and elsewhere. New or corrected facts and consequences may be brought forth by those affected by the proposed action's externalities, and new interpretations of the consequences will be argued. It may well be that the social impact of the Environmental Impact Statement experiment will be not the institutionalization of the technical analysis of consequences, but a mechanism to encourage a useful interface between the technical and the political.

Thus, the evaluation of environmental consequences is of particular interest because it provides so many instances of attempts to link technical with political planning and evaluation. Many of these social experiments will prove too cumbersome and ineffective, but they are an important aspect of ongoing social learning. In establishing a national growth policy, these lessons should prove invaluable for the designing of mechanisms that link these two aspects. Everything possible should be done to study and understand these processes, to improve upon them, and to encourage the development of institutional mechanisms and practices that encourage such markets of voices among all the goals of national policy.

However, the topic cannot be abandoned without reference to an important difficulty apparent in much of this process today. This is that the proponents of actions usually bring their plans to light quite late in the planning process. Concurrently, most of the groups which normally participate in the market of voices tend to be groups who feel that their interests are threatened and who therefore oppose the proposal. The situation then becomes a veto situation, where opponents seek to stop the project. The result can be widespread immobility, and we see this today in many areas such as airport location, highway and

housing construction, and so forth.

The solution to this difficulty cannot be easy, but its general outlines seem clear. It is necessary to commence the market of voices much earlier, so that there is an opportunity for negotiation and mediation in the formulation of the plan. Plans which are presented late are usually crystallized into a rigid form, and offer little opportunity for modification and accommodation. Hence the veto situation. It is also necessary to try as hard as possible to bring into the process those who will receive positive benefits and externalities as well as those who will bear negative ones. This is necessary because a market of voices will not be a sufficiently comprehensive instrument if only the proponent and those adversely affected are represented. A full market must also include those who receive secondary benefits, because it should involve tradeoffs and bargains between these and the others rather than merely concessions by the proponent to those who would be hurt by what is being proposed. Given the tendency of most publics to participate most vigorously when they are being hurt, bringing in those who stand to benefit will require the investment of considerable energy and resources, and the development of institutions and procedures which are not yet apparent.*

Evaluation: National Security

For completeness, this section must make reference to evaluation and plan formulation in terms of the national security objective. This evaluation is, of course, the customary province of the U.S. Department of Defense and associated institutions such as the Rand Corporation, the Hudson Institute, and the civil defense work of the Oak Ridge National Laboratories. This writer is not familiar with most of this work, and therefore will not comment.

* It is interesting to note in this respect that several approaches to national regional planning, President De Gaulle's losing 1969 referendum among them, created regional parliaments organized by interest group representation rather than by subregional districts. Although such corporatist solutions have well-known problems, they testify to the general nature of the problem.

VII. RESEARCH QUESTIONS AND STRATEGIES

Basic, Strategic, and Applied Research

There are so many things that it would be good to know that any list would far exceed the most optimistic budget projection and the broadest estimate of institutional and manpower capacities. Further, given the low level of theory and general understanding, it is extremely difficult to formulate questions in their most useful form or to distinguish with confidence between unimportant and crucial questions.

A strategy of inquiry is needed that recognizes that there is much current information which is not in usable form, that much of what is known has not been effectively incorporated into policy formulation in this area, that false starts and disappointments are inevitable. A strategy of inquiry must recognize that we are lacking not only in information but in insight. It must therefore support and encourage development of theory and general understanding so that we can refine the asking of questions and waste less time on development of data which are not ultimately useful. Finally, the strategy must recognize and operate upon the constitution of research organization and personnel. A strategy of inquiry is a process of search, where information, understanding, and organization loop around and reshape each other.

Some useful documentation already exists on this matter, although it is addressed to urban problems generally rather than to the matter of territorial policy as such. Among these are the National Academy of Science's *A Strategic Approach to Urban Research and Development: Social and Behavioral Considerations* (1969) and *Long Range Planning for Urban Research and Development: Technological Considerations* (1969). A report now in progress from the Advisory Committee to H.U.D. of the National Academy of Sciences finds itself four years later substantially reiterating the basic recommendations of that report. In addition there exists a Rand Corporation report, *Recommendations for Research in Support of Federal Urban Programs* (Memorandum RM-5503-HUD, 1968), and a report in progress from COPEP of the National Academy of Engineering advising NSF-RANN on general research strategy

for domestic problems, which devotes some principal sections to territorial issues. There may be other reports as well with which I am not acquainted.

All of these reports lay stress on the need to develop ongoing institutions and to attract intelligent personnel to this work. It is my principal recommendation that the development of a strategy of personnel and institutional development be given first priority at this time when H.U.D. is for the first time moving in its research and in its action programs from an emphasis on housing and bricks-and-mortar to a fulfillment of the second part of its name.

It is common practice to distinguish, or try to, between basic and applied research, and operating agencies such as H.U.D. quite properly emphasize the latter. But an intermediate category of research can clarify the discussion. This is strategic research, which is more focused on urgent problems than basic research, but which is broader and more questioning than applied research. Strategic research, if properly managed, will have increasing returns. It should be sustained, institutionalized research; it should be located in universities and research institutes, where it can attract gifted young people to this area; its funding and monitoring should allow sufficient latitude for the tasks to be redefined as insight is gained, and to permit the following up of those educated guesses that frequently lead to dead ends but often to important advances. It is worth noting that probably the greater part of our knowledge and of scientific personnel in this field is the product of such a policy for the past eight or nine years by the Economic Development Administration of the U.S. Department of Commerce, and that it would seem eminently wise for H.U.D. to continue and complement this strategy by a mix of institutional grants together with short-term contracts.

But institutional strategic research is often slow, and very often incapable of organizing certain types of mission-oriented effort because of a lack of internal hierarchical command. Further, its product is often presented in such ways that it is of use and interest to other researchers rather than directly to policy-makers. Further, certain social scientists have a known weakness for inflated product, to which there is less than meets the eye. Nonetheless, a variety of

commissions on research needs for social and economic policy here and in Britain seem in universal agreement as to the importance of this component in an overall research effort. Sustained relations between in-house research personnel and such outside centers of research presents a promising middle-ground between the rigidities of the RFP and the diffusion of effort inherent in sitting back and waiting for self-generated proposals.

Short-term, sharply focused contracts will, of course, also be part of an overall research effort; but although it may be preaching to the converted, it must be recognized that this has led to frequent abuses that should be avoided. When questions are urgent, and funds and time are limited, there arises the temptation to put out an RFP which in effect calls for the development of fundamental theory and its application to particular instances, usually in one year and for a budget of \$100,000. This is a most unlikely double parlay, although there is no shortage of university entrepreneurs and consultants who will respond. One of the advantages of an emphasis on strategic research and complementary in-house capacity is a greater sophistication in the drafting of such requests and a more realistic evaluation of what is possible and likely.

It must also be recognized that research in national territorial issues is very likely to be often slower and more expensive than many other types of policy-oriented research, principally because it calls for regional disaggregation, which very greatly increases increases data needs and the number of interrelations to be studied. This will not be true of every research question but it will be of many. Therefore there is need to develop centers of data storage and institutional devices for making it available to others in institutional or short-term research. This may very often reduce the cost and time of other research by more than half. A clear beginning in this direction is being made by developing some of this capacity at the Oak Ridge National Laboratories. In order to achieve this facilitation and reduction of the cost of other research major effort should be put to developing user-oriented techniques and procedures, including clear and available information as to what is available and how it is available. This should probably include direct collaboration of such centers

with other projects and institutional research.

Priority Questions for Research

Any list of needed research, including this one, is incomplete and slanted. It will reflect the concerns and conceptual framework of its proponent, and even where it proposes an area of activity it may not pose the question in the most fruitful form. In the choice of areas and questions from the infinite number of those possible, some loose criteria and pointers are used. In this case these are that the answers would be worth knowing for the diagnosis of problems or the formulation and evaluation of solutions; and that the research can be done within the state of the art and within some reasonable time. At the same time, some account is taken of areas of research that seem to be ongoing without benefit of H.U.D. support.

Research questions and areas have been put into two groups, labelled A and B. Those in the first group are to my mind the more feasible and immediately useful, although many of the questions in the second group are intrinsically more important. Many of the questions in the second group should be given priority if a qualified researcher were able to come up with a good research strategy or technique.

The First Group of Research Areas

A.1. National Overview and Related Research

This includes a broad range of possible activities. It is recommended because it is intrinsically national in scale, immediately doable, likely to call attention to this policy area and useful for policy formulation. Its main drawback is that data generation and processing may in some cases be quite expensive.

A necessary condition for activities in this area of research is the development of one or more lively repositories of territorially disaggregated data, including inter-local interactions, such as that being developed at Oak Ridge National Laboratories. In-house analysis by those familiar with the data range and limitations will undoubtedly be useful, and particular stress should be laid to development of ways by which these centers can interact with other scholars, whether

supported by H.U.D. or not. The development of an effective service facility is the major challenge to this activity, for it would both reduce the cost of all research in this area and make practical many studies which would be otherwise unfeasible.

Beyond this first step, every effort should be made to develop and use national interregional accounting systems. The Department of Commerce has just had developed a set of interregional input-output tables. These should be kept current, and they should be used to keep them limber. Sectoral projections should be plugged into this system to obtain regional effect projections on a regular basis, and other uses should be found such as analysis of the consequences of growth in one region upon the growth of other regions. This expensively developed data base has the potential, if it is used, to draw national attention to regional development issues, and to the relation of local growth or no-growth in one region to those of other regions.

Another set of national accounts is now possible. A prototype has recently been developed of national interregional demographic accounts^{*} which would be useful for nationally consistent local population projections under various assumptions, for policy testing, and for the evaluation of the feasibility of configurations in terms of their implicit population movements. This too would serve to draw national attention to regional development issues and to the relation of local growth to those of other regions.

A word is needed as to the relation of these two types of accounts. Interregional input-output assumes that population will distribute itself in accordance to the distribution of economic activity; interregional demographic accounts assumes that economic activity will distribute itself to suit the dynamics of population distribution. The reality lies somewhere in between, for people chase jobs and jobs chase people. But in realistic terms, the integration of these two models is a distant hope, so that they should be used in tandem to test the limits of projections under one or the other set of assumptions.

^{*} William Alonso, *National Interregional Demographic Accounts: A Prototype*, Monograph No. 17, Institute of Urban and Regional Development, University of California, Berkeley, 1973.

A third set of national accounts would be extremely valuable. This is a national set of interregional money transfer accounts, which would reveal not only the transfer among regions of payments for goods and services (as the input-output accounts do), but also the money transfers involved in government taxes and subsidies, pensions, private transfers, and others. This would clearly be most useful. There is fairly well developed theory and some small studies in this area, notably by Leven and Tiebout, but it is my impression that the data are not available to do it.

Other national overview research, however, seems quite doable. This includes estimates of the extent of the interregional gap in jobs (labor force participation) and income, particularly in relation to the equity goal. How many jobs and how much money would be needed to wipe out interregional differences nationally? Clearly the answer would depend on the level of territorial disaggregation, but answers should be rather easily available under a variety of regional definitions, and should help to define the magnitude of the problems. Conversely, under the efficiency criterion, it should be relatively easy to arrive at estimates of the foregone national product resulting from territorial structural unemployment and underemployment.

Another type of national overview that should be doable and revealing is shift-share analysis of the industrial sources of regional growth and decline. These would assist in the diagnosis of the nature of the problem of declining areas, among other things. In a similar technical vein, and quite easy to do, would be an analysis of the sources of interregional income differentials, as they depend on industrial and occupational composition, on labor force participation overall and by sex, and by dependency ratios. A number of existing studies, ranging from the classical one by Perloff and associates to lesser known ones by Lowry and Eisenmenger, testify to the importance of this type of information.

In general, such national overview studies should be quite revealing and their information should be both useful and capable of drawing attention. The techniques are almost fully developed and the information is at hand, so that the remaining difficulties may be termed engineering rather than scientific. Perhaps the reason why they

have not been done more consistently in the past is that the cost is large from the point of view of individual research projects, although it is not particularly so from the point of view of a nationally useful activity. In other words, these are not risky scientific experiments, but rather middling expensive practical applications.

A final component of a national overview component seems quite easy but is most difficult. The previous components were based on analyses of census data. But the federal government has access to a great deal of internally generated data, and potentially to a great deal more. Local applications for categorical grants, and in the near future for special and possibly general revenue sharing, hold an extraordinary potential for national overview. Do local population, industrial, and investment projections add up? What local consequences are anticipated in terms of various national goal criteria? It seems clear that the documentation of local proposals could be structured in such a way that regional and national totals could be derived and examined for consistency. Yet, anyone familiar with governmental operations will recognize the difficulties involved. In the first place, many federal departments set the procedures: H.U.D. in housing and facilities, H.E.W. in a variety of services, Justice in civil order, Interior in the proposed land use controls, Agriculture in rural development, and so forth. To gather and make consistent these internal sources of reportage is a very difficult matter, although it may be aided by the proposed reorganization of federal government departments. The categories of information and the various perspective dates must be standardized for national aggregation. For all of the difficulty, the value of a nationally consistent set of local plans and projections is so obvious that priority should be given to the determination of standards of local reportage in collaboration with other federal agencies involved. Internally generated data arising out of government operations are presently not used up to their potential; and it is an in-house activity that no outside researcher or consultant can duplicate.

A.2. Studies of Aspects of Population Decline

Population loss and heavy outmigration have been a major stimulus to national regional policies. It is too often assumed that such

decline coincides with a decline in welfare. While this may often be the case, very often numerical decline may be associated with increased well-being for those who left and those who stayed, as discussed in the text. Although the majority of U.S. counties are in this category, there has been very little study of the process of depopulation in relation to occupational mobility, investment and disinvestment of capital, the fate of local businesses, the demographic patterns resulting from sex-age composition, and so forth. Most studies and proposals are of the process of growth, yet it would be very surprising if decline were simply symmetric to growth in these various matters. Since it will be the fate of many areas to decline in population, we need to know more about the varieties of decline, the varieties of problems and non-problems which arise under various circumstances, and the types of actions that may be taken to remedy them.

Decline is most widespread in small towns and rural areas, where over most of the nation population is thinning out. A particular area of research is the provision of services in these areas, particularly because centers are thinning out more than proportionately to population. In relation to what was called in earlier sections a policy of equity of access to services, it should be possible to make use of the extensive information and research experience of central place theory to investigate quite concretely these situations.

Population decline is not limited to small towns and rural areas. Several metropolitan areas, particularly small ones, have actually declined in population. The number of metropolitan areas with declining or virtually stable populations is certain to increase sharply in coming years as a result of the decline in the birth rate and the drying up of the sources of migration from non-metropolitan areas. Yet we have almost no idea as to what this will mean in terms of the operation of the housing market, fiscal balances, occupational mobility, education, values of land and other fixed capital, and so forth. It is likely that the problems will not be tragic ones for the most part, but it seems clear that it would be wise to begin now a serious exploration of a new and predictable national phenomenon.

Other instances of decline merit attention. Of course, the central cities of metropolitan areas have been in many cases declining,

but there is already a vast national research effort being invested on this process and it would not seem appropriate to include these intra-metropolitan studies within national growth policy research. On the other hand there are some targets of opportunity which should be followed up. These include the consequences of cutbacks or closings of defense installations. Of particular interest would be to examine the experience of such declining areas as Wilkes-Barre after the major disaster of the floods: what happens by way of reinvestment, changes in industrial composition, migration, mobilization of resources, possible modernization, abandonment, and so forth. These natural experiments should prove most instructive on the nature, causes, and consequences of decline, and they could profitably be followed up.

A.3. Territorial Aspects of Implicit Policies

A full analysis of the territorial dimension of domestic policy is clearly beyond present resources. However, it would be extremely useful to select one or two areas for analysis. One possible candidate is the impact of monetary policy and sharply fluctuating interest rates on various regions, including ones with heavy capital needs because of growth, regions specializing in capital-intensive activities, and other borrowing regions, as well as lending regions such as the Northeast. Another is the analysis of the territorial effects of the current changes in farm support and acreage regulations, together with the development of massive export markets for agricultural products. Clearly the effects of this on rural areas will be vast, and urban and metropolitan areas will experience secondary effects.

A.4. Studies in the Transition to Postindustrial Society

This is a vast area dealing with the transformation of the economic basis and organization of the whole society. Within the broader topic certain questions important for territorial policy suggest themselves, among which are the linkages and locational forces of service activities, the matches of the labor requirements of these activities and the supplies of labor at diverse locations, and the structure of communications in this information-based sector. This last would include a study of emerging technologies, of patterns of

investment in communications networks, and of the effects of current national regulation, principally through the FCC. Very little work has been done in these areas, yet clearly they are the most powerful formative forces operating upon the geographic shape of the nation.

A.5. Studies in the Quality of Life

Although there is considerable activity in this area under other sponsorship, it would seem advisable to include some effort in this direction within the agency's research mix. A possible starting point would be the sponsorship of more sophisticated studies than those which have been done on the preferences of life-styles, with special attention to community size and regional location, and the specific sources of satisfaction and dissatisfaction of various groups under diverse circumstances. Among the themes that could be usefully pursued are those of alienation and community and of the relation of such attitudes and preferences to actual behavior, including migratory choices and acceptance of tradeoffs with other values. Such studies should be comparative among places and people. They should also be sophisticated in terms of their exploration of symbolic and rhetorical language, class and race conflict, and of the sense and expression of dissatisfaction as a manifestation of change and expanding horizons.

A.6. Studies in the Markets of Voices

Empirical studies in this area would be of great help for the intelligent design of procedures for policy formulation and evaluation. A few such studies have appeared on such topics as model cities, but many have been polemic rather than truly inquiring. More should be known as to the actual processes of public hearings, of appeals through courts, of boards of representatives, of the effect of such documentation as environmental impact statements, of the use of cable television, and so forth. Sober reportage and analysis of some of the various approaches now being tried are working and should be of great help in developing effective markets of voices. Particular attention should be given to the geographic and population scales at which these processes operate, to the types of issues they deal with, to the time they take, and to the balance between representative and direct participation.

Needless to say, romantic or doctrinaire extremes should be avoided.

A.7. Studies of Surplus Military and Other Federal Lands

Resumption of this Administration's earlier interest in this tactically invaluable potential resource could be most fruitful. Much of this surplus land is at important locations, in or near major urban areas or on coastal and river zones, where potential alternative uses might include urban or recreational development. Three elements would be needed. First, an inventory of such land. Second, an analysis of potential alternative uses. Third, an orderly process for transfer and conversion.

The apparent simplicity of the matter is deceptive, however. The military may be unenthusiastic about relinquishing such property, and less than fully cooperative in providing the information. It would appear that local officials are usually surprisingly uninformed about the extent or use of such facilities, and simply do not know where or with whom to begin discussions with appropriate federal officials. In many cases the transfer raises difficult questions for local politics as to terms, decision processes, distribution of what may amount to windfall benefits, and so forth.

This line of research, planning, and action can only be adopted if it has the wholehearted backing of the most powerful officials in the executive and congressional branches.

A.8. Improvement of Techniques for Equity Assessment

Although so many areas of techniques of assessment are underdeveloped and would profit from theoretical and applied research, some techniques relating to equity would appear both valuable for decision and feasible in terms of the present state of the art. These are extensions of the cost-benefit technique (which is normally addressed to the efficiency goal) which unfold or disaggregate the costs and benefits by their incidence. In effect, these would add a double column of costs and benefits for each relevant population or interest group. The sum across a row or effect category, over the diverse parties, would total the national cost or benefit of that effect in conventional analysis. Even for some items in which there is no net national impact,

the national zero might be the net of compensating large benefits to some and costs to others. The analysis would not yield an index number of the equity effect, but it would display the distributional consequences. Although there are some theoretical difficulties with this approach, they are not serious. The need is for the development of sufficiently feasible techniques, especially for data estimation, for this approach to be incorporated into ordinary work at a cost which is not prohibitive, so that such estimates of impact may be incorporated into standard evaluative techniques.

Three related developments of technique should be encouraged, although with second priority because of their difficulty. First, the incorporation of group-specific rates of discount based on diverse groups' time preferences. Empirical research on borrowing and other behavior could provide realistic differentiated rates. A theoretical problem here is that if different rates of discount are used, the disaggregated columns will not add up to the conventional cost-benefit figures. However, this difference may be the source of a differentiation of the efficiency and equity impacts, and a function of it may be an index of the technical tradeoff along these two dimensions. Secondly, the Mera-Eckstein technique of marginal-regret/utility across income classes based on the marginal income tax rates of different brackets may provide a serviceable index along the equity dimension. Thirdly, a statement of the impacts of a contemplated action upon different groups is no mere technical document: it provides the basis for a political process of inter-group participation and bargaining. This aspect might turn out to be central to the process of disaggregation of costs and benefits, and information as to the use of the technique in the decision process would seem as important as the development of the technique itself.

A.9. Studies of Foreign Experience

Since most developed countries outside of the United States now have some form of national territorial policy and employ a variety of instruments, it stands to reason that we should learn from their errors and their successes. A substantial amount has been written on this foreign experience, but little of it is satisfactory. Many reports

have been written by official representatives and tend to be official versions. Other accounts, written by Americans, have suffered from their uncritical acceptance and superficiality. To really profit from these experiences, we need more searching probes, a more critical intelligence, and more detailed examination of data. There is relatively little to be gained by further international congresses where national representatives tell how things are supposed to be done in their countries. Neither is there benefit in further tours by Americans who, camera in hand, are conducted in the summer through carefully selected showpieces.

These comparative studies should be carried out by competent and experienced people (American or foreign) who know the country, its economy, and its politics, and can be expected to apply a critical intelligence to what they learn. Three areas of study deserve special attention: (a) the technical bases of the work, including sources of data and organization, particular models of analysis, projection, and evaluation, the sources of personnel, the cost and timing of studies, and so forth; (b) the experience with particular policy instruments such as taxes and subsidies, worker retraining, location permits, relocation of government activities, provision of infrastructure, communications, and so forth; and (c) the meshing of the technical and the political process, including such matters as the location of the national secretariat, the sequence of inputs, the relation to local bodies, the role of the press, the use of hearings, white papers, and so forth. Although it deals only tangentially with territorial issues, Steven Cohen's *Modern Capitalist Planning* is probably the best model of the type of analysis needed.

To study any of these matters will obviously take highly sophisticated analysts and at least one man-year in each case. In addition to established researchers, young ones working on dissertations should be encouraged.

A.10. *Programs to Improve the Use of Intelligence in This Field*

A research program must address itself to targets of opportunity to incorporate knowledge existing in related fields, to develop personnel for the long run, and to make knowledge reach its users.

Funding and other forms of support should be provided for three forms of this.

First, the agency must be alert to opportunities to incorporate the knowledge and experience of fields that are related to its interests but which have not yet made the necessary crossovers. There is a great deal of knowledge by specialists in fields such as agricultural economics, demography, sociology, and labor economics which would be of great use in territorial matters. Such knowledge could be replicated for territorial purposes only slowly and at great expense. Support of symposia, state of the art papers, consultancies, and other devices should be a regular part of the research program. It is important here to realize that what is being bought is not the consulting time of specialists as such, but that knowledge and experience which they have accumulated over a great deal of time. In other words, that payments are not wages but rather rent or return on capital. The net result of an expensive consultancy, once the dross is done away with, may be a single phrase which contributes a profound insight. In other cases, the thing learned may be that there is nothing to learn there. In brief, then, it makes sense to pay flat-fee contracts to very good people, and to accept a certain rate of failure from them, because the successes will be very valuable (reflecting judgment and long experience rather than the time on this job) and because the failures themselves will provide information. A secondary benefit may be to gain the allegiance of key people to this issue and this agency.

A second aspect of improving intelligence in this realm is the support of doctoral dissertations. Many doctoral students are better trained technically and more inventive than their elders so that, even with a substantial rate of failure, the net of their contributions is worthwhile, especially since they tend to come cheap. Considering, further, that support of doctoral students tends to shape their careers in certain directions, this strategy would produce not only inexpensive knowledge in the short run, but also to develop bright people for this field who will contribute for the next forty years or so.

Finally, scientific information and general understanding normally take a long time to filter through to practitioners. Therefore there should be a strong explicit effort to disseminate and

translate scientific findings to practitioners. This effort should clearly include agency publications, but it might also include support of other publications such as journals, the use of editorial staffs and services to help present knowledge intelligibly to professionals and to local officials and to Congress, encouragement of media discussion of issues, and other steps. In other words, the acceleration of the diffusion and general comprehension of knowledge is a critical aspect of the effectiveness of a research effort.

In summary, the research program should support synthetic statements because they are usually cheap regardless of cost; it should support young scholars because they are usually fresh and inventive and because they cost little and can be drawn to this policy area in the long run; and it should support publications and other means of rapid and effective information of professionals, officials, and relevant members of the public to make them more informed in the performance of their roles and more aware of issues in this field.

The Second Group of Research areas

Although the following questions are placed in a second-priority category, in many cases it is because of my impression that getting answers would be slow, expensive, or uncertain because of weak theoretical bases or investigative techniques. Should new advances change this or should my judgment be wrong, many of these questions should be given priority.

The questions are not listed in any particular order.

B.1. Effects of the Location and Distribution of Economic Activity

A considerable body of work, both theoretical and empirical, exists and continues to develop both in what may be termed classical approaches (location of the firm and distribution of industries) and modern approaches (generation of new activity and diffusion of activities), although as noted relatively little work has been done on the location of the tertiary and quaternary sectors. A particular area of interest for policy on which almost nothing has been done is analysis of the effects of such locations on the areas of arrival, the areas of departure (if any), and the effects of location on the performance

of the industry itself.

B.2. Definition of Functional Areas

Some work has been done on this topic by geographers, rural sociologists, and economists. However, much more could be usefully done if tied more sharply to particular issues of national purposes, particular policy instruments, or service functions. Beyond these, there exists the possibility of useful theoretical developments through such concepts of fuzzy sets and parametric regionalization.

B.3. Studies in the Location of Foreign Plants in the United States

In recent years there has been a beginning of what may become a larger phenomenon of location of foreign plants within the United States. Sony and Volvo are among the foreign enterprises which have opened branches in this country recently. It would be useful to keep an eye on the pattern of such locations, keeping in mind perhaps that some European countries have been relatively successful in directing the location of foreign firms to economically distressed areas and to growth centers.

B.4. The Functioning of Megalopolis

Although the term megalopolis has achieved almost popular currency, very few studies exist of this phenomenon, and existing studies stress principally the adjacency of geographic development. It would be extremely useful to know more about how these vast urban conglomerates work, what are the movements of people, goods, and information, and particularly what are the ranges and scales of various types of agglomeration economies. Among other questions that may be explored are whether these urban conglomerates produce functional specialization among their component urban areas, so that their economies become more specialized and efficient than those of non-megalopolitan urban areas of comparable size.

B.5. Inventory and Analysis of Short-Run Approaches to Regional Problems

These short-run approaches would include aid to impacted areas, disaster relief, and possibly others. It would be useful to study the

operation of these activities, their geographic distribution, frequency, and recurrence, with an eye to the possibility of integrating them to longer-run regional policies or, even within their own terms, to determine whether their distribution or periodicity can provide guidelines for improvement of their handling.

B.6. Development of Non-Equilibrium Techniques

Most of the techniques employed today, particularly in economics, use implicitly or explicitly an equilibrium approach, as does most economic theory. Such equilibrium in effect assumes instantaneous responses. In reality the social system proceeds through a most complex set of lagged responses, such as the delay of adoption of innovations, the lagged migratory responses to changed conditions, the aging process of capital of different vintages and lifetimes, the time it takes to carry out public and private actions, and so forth. While the equilibrium assumptions of, say, cost-benefit, may be a sufficient approximation for some purposes, it is quite clear that in the future we will have to develop theory and techniques that take account of hysteresis. Except for the use of lagged variables in certain econometric models and certain simulation models, there is little theoretical basis to go on today, although there are some attempts such as Isard's.

B.7. Studies of Ethnic and Cultural Identity and Solidarity

One of the most intriguing developments since World War II has been the importance of ethnic and cultural regions in advanced countries, and their effect on national policy. Brittany, Wales, North Ireland, Scotland, the Basque country, Catalonia, French Canada, and many others have emerged anew as central national issues in their respective countries, while in other countries such as Belgium and Yugoslavia the issue is perhaps the preeminent one. For a variety of reasons the United States has not had a comparable development of cultural-ethnic regional identification, although recently the Indians have raised the issue. Nonetheless, special American versions of this phenomenon may emerge in the coming years, such as the chicanos in parts of the Southwest. The whole matter of Southern cultural identity

(biracial) may well arise with force, particularly since it appears that the issue arises most frequently in the presence of rapid social transformation, which the South is now experiencing. Looming behind this is the issue of black regions, ranging to proposals for the re-settlement of blacks into a multistate autonomous region. Such developments may seem fanciful, and may well be so in the end. Nonetheless, the importance of the cultural-ethnic region in so many countries suggests that this would be a valuable area of exploration.

B.8. Socio-Psychological Studies of the Costs (and Benefits) of Rapid Growth (or Decline)

Most studies dealing with territorial issues are based on economics and demographic sociology. Yet it is clear that upward or downward economic and demographic transitions can have strong socio-psychological impacts on the population, involving such aspects as class conflict and mobility, motivation, alienation and community, aesthetic loss, culture shock, the phenomenon that Fried has called "grief," and various others. These are important aspects of the quality of life which could be studied, and precedents exist in this country and in anthropological and socio-psychological studies of developing countries. The techniques are surprisingly well developed, both by participant observation and by the use of massive questionnaires.

B.9. Studies of Externalities

For all of the currency of the term, there is precious little concrete information and empirical studies of particular types of externalities. The matter is not helped by the confused state of the theory. Nonetheless, support should be given to well-designed studies that trace the externalities of important types of events.

B.10. Studies of the Experiences of Spontaneous and Induced Growth Centers and Their Hinterlands

There are now several years of experience on induced growth centers designated by several agencies, principally E.D.A. and D.O.T. There are several decades of experience in the growth of spontaneous growth centers. Documentation and evaluation of this experience would be most useful, particularly if it is related to the effect of these

centers on their surrounding regions. Several styles of research are conceivable, but this is a surprisingly difficult topic principally because it must compare what has happened to what might have happened but did not.

B.11. Studies of Particular Regions and Events

Much social science approaches particular events and regions as if they were instances of general phenomena, which they always are in a sense. Nonetheless, particular regions in particular historic time are unique, and if studied as such should yield lines for the development of concrete policy directions. The Eastern megalopolis is one obvious example, as is the South, the depopulating central states, the explosively growing Florida, and so forth. Similarly certain events are unique and must be considered as shaping history, past and future, and should be examined as such. One such attempt was that by Ogburn some thirty years ago to assess the impact of aviation; others today would include particular sectors within the developing service economy, the prospects of a trade reorientation toward the Far East, the emergence of new technologies of energy, and many others.

A difficulty with this approach is that there are so many possible regional sets, and so many possible events, that not all can be studied and there are no clear criteria of choice. Further, the analysis of particular regions has been the province of traditional descriptive geography, which has never developed links to policy. A modern geography, more normative and analytical, shows signs of emerging, and might usefully be encouraged in this direction. The future history of particular events and developments, on the other hand, has had a poor track record for prediction, and has often suffered a failure of nerve or imagination in its forecasts, or else has yielded to a giddy millennialism.

For all of this, good work in the study of particular regions and events is needed as a complement to generalizing studies, and should be encouraged when it shows promise of the desired quality.

THE WHITE HOUSE

Washington

May 31, 1972

Memorandum for Secretary Peterson

FROM: John D. Ehrlichman

SUBJECT: *National Growth Policy*

There is continuing and growing interest in the subject of national growth policy. In the short run, we can expect issues to arise in the coming months and in the formulation of the FY 74 budget which reflect the Administration's conception of national growth policy. The overall framework is defined in this year's report, and we must continue to define and refine this issue.

In addition, we should begin processes now which will lead to a firm basis for the 1974 growth report.

With these two objectives in mind, I would like your detailed and thoughtful consideration of the specific questions in the attached paper. This document is designed to do the following:

1. To identify areas where agreement among agencies exists and can be fairly said to rest on a firm basis.
2. To identify areas of disagreement among agencies based on different interpretations of trends, facts, studies, etc.
3. To identify important areas where studies or evidence have not yet been developed.

This year's national growth policy study demonstrates a need for a new approach which should be reflected, as appropriate, in agency staffing. Would you please contact my office within ten days with the name of the senior policy officer who will have overall responsibility for this task.

May I please have your response by July 30, 1972. We will review these responses with the President before deciding on further steps.

Attachment

Scope of Work—National Growth Policy

In order to develop a more firmly-based position on national growth and national growth policy, the Federal establishment must do much more than it has done in the past to:

Define "national growth policy"

Define the Federal role in national growth policy

Examine present Federal policies toward national growth

Examine present programs with national growth impact

Examine related topics of importance to the process and pattern of growth.

In each of these areas, a number of specific questions must be answered.

A. Define "National Growth Policy"

1. a) Is there a consensus in the literature on what "national growth policy" means?
- b) If there is a consensus, what is it and who are the groups and individuals responsible for it?
2. a) How far have the "growth experts" gotten in *specifying* the content of "balanced and orderly growth" in real terms (the definition stressed by the Congress)?
3. a) What evidence suggests that the development of a national growth policy is possible?
- b) Are there examples or studies indicating *in operational terms* what a national growth policy could or could not do?
- c) Can we draw lessons from the experience of other countries?
4. a) Is it possible to limit the definition or concerns of national growth policy in such a way as to make it operationally effective and useful?
- b) Specifically, what kinds of institutions, actions, processes or procedures at the Federal level directly flow from having stated a national growth policy?
- c) What would be the form of stating a national growth policy?
5. a) Would it be *wise* to attempt to develop and utilize a national growth policy?
- b) What are the *political* plusses and minusses of stating such a policy?
- c) To what extent would a national growth policy be subject to economic, political and social constraints which would make the policy irrelevant?
6. a) Are there studies which show the relationship of a national growth policy to other national policies of interest such as economic stability at full employment, industrial planning, tax policies, population growth and movement, environmental and resources planning, etc.?

- b) Who, if anyone or any institution, has, at this point in time, sufficient technical expertise and politically viable organizations to relate these policies?
- c) If no such vehicles for achieving interrelationships exist, what options exist for filling the gap?
- 7. a) Is there any reliable estimate of alternative futures for the country in the absence of a national growth policy?
- b) Can we say with any certainty what the impact of the presence or absence of a policy would be?
- 8. a) Do we know enough about how the general public (not the "growth experts") wants the country to look in the future and, more importantly, what the public is willing to sacrifice in order to achieve it?
- b) If the answer is "yes," what is the source of our information?
- c) If the answer is "no," how do we find out?
- 9. a) What evidence is there to show either a public consensus, need for, or an overriding necessity for the formulation of certain national growth policy objectives?
- b) Are there growth objectives which can safely be said to have widespread or universal support which are not being promoted by present Federal policy?
- c) Do these include the stated Title VII objectives?

B. Define the Federal Role in National Growth Policy

- 1. a) What guidelines or concept should serve as the basis for Federal action to achieve and utilize a national growth policy?
- 2. a) How do we define the national interest—how do we balance the relative weights of economic, social and other considerations?
- b) What studies or evidence tend to support various alternatives?
- 3. a) What is the appropriate forum for formulating the Federal role in national growth policy?
- b) What precisely did Congress mean in enacting the Title VII language establishing the national growth policy report and objective?
- 4. a) To what extent should popular present concerns such as population growth and the environment indicate a need for a Federal role?
- b) To what extent should less direct but equally pressing concerns such as trade deficits, industrial productivity and the market economy influence Federal policy toward growth?
- 5. a) To what extent should a national growth policy attempt to achieve welfare and social goals?
- b) Specifically, which goals warrant more Federal promotion?
- c) Is there evidence to suggest that the Federal role must give more weight to welfare considerations than state and local governments give?

6. a) Is there a consensus on whether or not the Federal Government should be concerned with the location of activity in this country?
- b) To what extent should the Federal Government be concerned with the future "map" of the country?
- c) Is it possible to have a growth policy which does not specify where growth should occur or what appropriate actions are needed to achieve locational growth objectives?
- d) How does one distinguish between a "locational" growth policy and any other?
7. a) What are the political pressures at the Federal level which can be expected to bear on the formulation of a national growth policy?
- b) How do these pressures affect Congress and the Executive Branch?
- c) What are the primary interests, both bureaucratic and non-governmental, which will affect the way national growth policies are formulated?
- d) Can these pressures be offset against each other in order to preserve the integrity of whatever policy is adopted?
- e) To what extent can the individual Representative's interest be reconciled with any meaningful national growth policy?
8. a) What does the evidence suggest about the feasibility of coordinating Federal activities to implement a national growth policy?
- b) What has been our experience to date with past or similar efforts?
9. a) To what extent is "disorderly growth" a national growth policy concern?
- b) Is there a national consensus on what constitutes disorder?
- c) If so, what are the specific features?
- d) Are we imposing higher standards on metropolitan development?
- e) What processes of transportation and land development could be changed to accommodate higher standards?
- f) What Federal operational policies does this imply?

C. Examining Present Federal National Growth Policies

1. a) What evidence exists to indicate how much leverage (potential or real) Federal policies and programs have on the growth process?
2. a) What do we get for the \$35-40 billion now spent annually on Federal grants to states and localities?
- b) Is there evidence to suggest that the leverage which this money possesses has been inadequately used in the past?
- c) How could it be increased?
- d) Is there evidence to suggest that these Federal funds have little or no leverage effect?
3. a) Which Federal directives, if any, expressed in legislation conflict with one another in influencing growth?
- b) To what extent do conflicting directives cancel each other?
4. a) Are there administrative policies and Presidential directives which

are either internally inconsistent or conflict with Congressional directives, as far as growth is concerned?

- b) What weight must be attached to these various policies?
- c) To what extent are they self-enforcing and self-implementing, as opposed to being dependent upon forceful advocacy?
- d) To what extent are these directives location specific?
- e) Are there studies to show their location impacts and effects?
- 5. a) Do we have enough information to be able to identify distortions in free (or competitive) market behavior which result from Federal policies?
- b) Is it possible to quantify the effects of these distortions in any realistic way?
- c) Are there analytical techniques which can be used in the absence of hard evidence to estimate the efficiency losses of these distortions?
- d) Are there studies which have used these techniques to estimate these losses?
- e) Is it possible to estimate the political costs associated with eliminating those policies with a large negative impact?
- 6. a) Are there policies of the Federal Government which are not related to programs but more directly related to the economic, social and cultural "environment" which express national growth policies?
- b) If so, what are they and are there estimates of the impact of these non-programmatic policies on national growth?
- c) In the absence of quantitative estimates, are there at least estimates of the direction in which these non-programmatic policies impact?
- 7. a) To what extent does a consensus exist that there is now a general lack of Federal leadership in developing priorities and policies for national growth?
- b) Are there operational roles consistent with conclusions of Section B above which the Federal Government could adopt which would achieve the objectives implied in these criticisms?
- c) If not, are there adequate and appropriate alternative ways of achieving the same objective, such as inducements to state or local action or private action?

D. Examining Present Programs with National Growth Impact

- 1. a) Has an analysis been made of the relative impacts of Federal programs on the rate and location of national growth?
- b) What significant assumptions about "national growth policy" and the Federal role are implicit in these measures and in the identification of such Federal program?
- 2. a) What consensus exists on how the location of jobs should influence housing programs, manpower programs, transportation programs, etc.?

- b) To what extent is population dispersal and concentration taken into account in these programs?
 - c) In what concrete ways do program management decisions reflect these concerns?
 - d) Could a national growth policy be reflected in these program decisions?
 - e) How could program managers, with a much narrower perspective, be influenced to support a much broader objective in making decisions?
 - f) In what form would the directive have to come (i.e., Presidential Executive Order, legislation, informal administrative practice) in order to have any effect?
3.
 - a) Is there an urban fiscal crisis?
 - b) How is it manifested?
 - c) To what extent does the presence or absence of an urban fiscal crisis determine Federal funding policies?
 - d) Is there evidence to suggest that in the absence of a fiscal crisis, revenue sharing, welfare reform, property tax reform, etc., would represent inappropriate uses of tax dollars?
 - e) What Federal urban programs, particularly HUD programs, would be superfluous if either the fiscal crisis were shown not to exist or Federal tax transfer policies were instituted?
 - f) What Federal urban programs would be particularly effective if the fiscal crisis were shown to exist?
 4.
 - a) Is there an analysis to show the impact of the Federal minimum wage on where jobs are located and who holds them?
 - b) Is this something that needs to be dealt with in Federal legislation?
 - c) What are the possibilities and prospects for various alternative forms of minimum wage legislation that might minimize any adverse impact on growth that is found to exist?
 5.
 - a) What does available evidence suggest the effect of urban renewal on central cities has been?
 - b) What does the evidence indicate about the relative priority of urban renewal at the local level?
 - c) Is the HUD conclusion that the program has failed supported by public or professional consensus?
 - d) If so, what policy changes are warranted?
 6.
 - a) Is there now a Federal policy or directive on preserving and expanding the stock of housing?
 - b) What are the appropriate criteria to be used in defining the Federal role and developing appropriate programs?
 - c) Is there at this point a sufficient evidence and analysis to support alternative Federal housing programs?
 7.
 - a) What is the appropriate Federal role in evaluating the effects of metropolitan "balkanization"?

- b) Assuming adverse effects can be shown, what should be the Federal role in alleviating them?
- c) Is a rethinking of Federal participation in encouraging metropolitan government indicated?
- d) If so, what studies and demonstrations, if any, should be undertaken?

E. Examine Related Topics of Importance

1. a) Is it possible now to estimate quantitatively the fiscal needs of the cities?
 - b) What evidence, for example, supports New York City's estimate that it requires \$50 billion in investment over the next ten years?
 - c) Are there consistent standards of service delivery and amenity which can be used to objectively quantify urban needs?
2. a) What is the impact of urban employee wage demands on the fiscal position of the cities?
 - b) Is there evidence to indicate excessive vulnerability?
 - c) What organizational or procedural steps, particularly Federal ones, could be taken to deal with this problem?
3. a) What is the impact of local property taxes on the location of employment, residential construction, etc?
 - b) To what extent does this question bear on Federal policies?
4. a) Are there indications that the reduction in migration during the last decade is permanent?
 - b) What factors, if present, would restimulate long-range migration, particularly of blacks?
 - c) Are there appropriate Federal policies which could be developed to encourage or inhibit such migration?
 - d) Should such policies be adopted?
5. a) What are the objectives of a growth center strategy as now employed by USDA, DOT and the Appalachian Regional Commission?
 - b) Are these objectives consistent?
 - c) Are the criteria consistent?
 - d) Is there a need for federally-consistent criteria or should this be left to state determination?
 - e) Could the Federal Government set down meaningful criteria?
 - f) If so, how?
6. a) What are the effects of present Federal policies on racial and economic segregation policies?
 - b) Can these be quantified, either in terms of persons affected or economic costs to society?
 - c) What are the effects of racial segregation on Federal programs?
7. a) To what extent should the Federal Government concern itself with the efficiency of local government services?

- b) Is there a Federal interest in insuring that Federal tax transfer payments are wisely spent?
 - c) Does this extend to development of new forms of urban technology and services or merely to a "technology transfer" role between cities through advisory and consultative mechanisms?
8. a) What are the effects of present court decisions and other policies relating to equality of public services within metropolitan areas and, perhaps, states?
- b) Are there distortions caused by current methods of financing and providing Federal services which are either of Federal origin or concern?
 - c) Should the Federal Government attempt to even out the distribution of services (regardless of its responsibility for existing distortions)?
9. a) To what extent should patterns of growth within metropolitan areas, especially as they affect the location of jobs, the decay of central cities and increasing segregation, be taken into account in future Federal program development?
- b) Is there sufficient evidence to indicate how the Federal Government can get a handle on these problems?
 - c) If not, what studies could be proposed to examine the interrelationships?
10. a) Is there a Federal interest in the harmonization and equalization of property tax rates as between classes of taxpayers?
- b) Do, for example, business concerns pay their way in terms of tax revenues?
 - c) What costs are imposed on society by classes of taxpayers which are not taken into account in local tax sources and procedures?
 - d) Is there evidence to substantiate claims of inequitable income redistribution inherent in such tax policies?

PART II

EXPECTATIONS FOR PLANNING IN AMERICA

A PLAN FOR PLANNING¹

A review of the problems encountered in the examination of land, water, minerals, and other natural resources, and of a public-works program indicates the necessity of advance planning in these fields, if the best results are to be obtained. When attention is directed to other aspects of national policy the same conclusion becomes increasingly apparent. It is important, then, to consider the most practical forms of organization for dealing systematically with national resources, both natural and human.

In 1931, Gov. Franklin D. Roosevelt, when addressing the New York State Agricultural Society on the subject of agricultural planning, declared that "in the long run, State and national planning is essential to the future prosperity, happiness, and existence of the American people." He made it clear that the planning needed is cooperative planning for the common good that does not force industry or citizens into a fixed pattern of conduct. As President of the United States, Mr. Roosevelt has on numerous occasions, and particularly in his message to Congress of June 8, 1934, repeated and amplified this notable declaration.

The report of President Hoover's Research Committee on Recent Social Trends, published early in 1933, considered at great length the developments in the United States during the last quarter of a century, observed especially the uneven role of advance in our social growth, and concluded by emphasizing the dangers of a policy of drift in the face of confusion and distress.

"Unless there can be more impressive integration of social skills and fusing of social purposes than is revealed by recent trends", said the committee, "there can be no assurance that the alternatives of force and violence, with their accompaniments of violent revolution, dark periods of serious repression of libertarian and democratic forms, the prescription and loss of many useful elements in the present productive system, can be averted."

"Fully realizing its mission, the committee does not wish to assume an attitude of alarmist irresponsibility, but on the other hand it would be highly negligent to gloss over the stark and bitter realities of the social situation and to ignore the imminent perils in further advance of our heavy technical machinery over crumbling roads and shaking bridges."

In the course of its findings, the committee recognized the importance of economic and other types of planning, but admitted that we are still in the stage of

¹ Abbreviated and revised from Report of National Planning Board, June 1934

making plans for planning. It concluded its recommendations by suggesting the desirability of organizing a National Advisory Planning Board.

Since the publication of that report, events have moved rapidly and sharply in the dangerous direction of which the committee gave warning. In Germany and Austria the parliamentary and democratic balance of authority has been violently overthrown, and an entirely different system substituted. In the United States the financial crisis of 1933, with the closing of every bank in the land, with 13 millions of unemployed, and with the general prostration of industry and agriculture, brought the Nation face to face with stern realities. Prompt and bold action to prevent complete collapse was necessary, and was taken by President Roosevelt and Congress.

The series of measures, national and local, commonly characterized as the "New Deal", indicate, however, more vividly than ever before the importance of a deliberate study of our basic national policies as a whole and in their relations to one another.

I. American Planning

Planning is a distinctly American idea. The Constitutional Convention gave us our national plan of Government. Hamilton's "Plan of Manufactures", Jefferson's and Gallatin's "Internal Improvements", Clay's "American System", the American Homestead Policy, the Conservation Movement, and the "economic mobilization" of the World War are all examples of national planning. Business planning is similarly a distinctively American idea in the form of "scientific management" and "management engineering."

II. Present Types of Planning in the United States

A long series of planning agencies is already at work in the Federal service, and in State and city governments as well. In addition to such significant developments as the Bureau of the Budget and the Federal Employment Stabilization Board, there have sprung up, especially within the last year, an array of other instrumentalities for systematic consideration of one area or another of Federal activity. The great financial crisis and the policies of the "New Deal" called for hasty improvisation of ways and means of action, and the inevitable consequence has been the rise of a number of unrelated planning agencies put together as speedily as possible in order to meet the urgency of the situation. The striking feature in Federal activity is not the

absence of planning, but the number, variety, and profusion of plan and their lack of adequate coordination:

Some of the many planning agencies follow departmental lines rather carefully; others follow such topical classifications as water, land, minerals, forests, power; others follow geographical and jurisdictional lines, such as Federal, State, local, and regional.

The most recent additions to this group of planning activities are the Economic Security Committee and the study on taxation now in progress in the Treasury.

The detailed description of all these agencies, or even their charting, would be laborious and confusing, and could serve no other purpose than that of illustrating the importance of closer coordination in types of planning.²

Business Planning: This emphasis upon planning by public agencies should not obscure the fact that, at least in modern times, business has been the stronghold of economic planning, and the "center of diffusion" from which that practice has spread to activities organized in governmental units on the one hand, and in family units on the other hand. Accounting provides an admirable method of ordering complicated activities insofar as the values can be expressed in dollars. Aided by this technique, the business man has become the world's most systematic and inveterate planner. His incentive is supposed to be pure self-interest, but it is self-interest enlightened by the teachings of experience. He learns to count costs, to look ahead, to provide against contingencies. As his opportunities have grown larger, his technique has improved and the scope of his planning has expanded. Dr. Frederick W. Taylor's pregnant scheme of "scientific management", enlarged by the work of Gantt, Emerson, and others, is becoming a widely inclusive art of "management engineering" that calls for continual reviews of current practice and adjustments to meet anticipated conditions. Many of the inventions of today, whether of mechanical devices or of products, or of business methods, are "made to order" by the research departments of business enterprises. Upon market research, industrial research, and even upon "pure science", American corporations spend huge sums annually. Their financial and legal departments, also, are planning organizations in large measure. Trained specialists are in charge of buying, maintenance, production and marketing, so that every detail of the business may be directed with skill. As a nation, indeed, we put far more of our intelligence into business planning than into household or government planning. The harder the times the more business planning we do. The difficulty of meeting budget requirements and the necessity of paying high taxes are sharp spurs to efficiency.

² See Digest of National Planning in the United States Today. Report of National Planning Board, June 1934.

In view of these patent facts, it is not surprising that many citizens believe that almost if not all of our economic planning should be left to business enterprises—the most skillful and the most interested exponents of the art. The public interest, it is argued, is safeguarded, provided that free competition is maintained. But practical experience has demonstrated that, great as are its contributions to social welfare, business planning has certain inherent limitations that are making it more and more necessary to improve planning in household management on the one side and planning in government activities on the other.

(1) Business planning can secure effective coordination of effort only within the limits of each independent business enterprise; that is, each group of business activities subject to a single financial control. It cannot effectively coordinate the activities of independent enterprises. "Coordination within an enterprise is the result of careful planning by experts; coordination among independent enterprises cannot be said to be planned at all—rather it is the unplanned result of natural selection in a struggle for business survival. Coordination within an enterprise has a definite aim—the making of profits; coordination among independent enterprises is limited by the conflicting aims of the several units. Coordination within an enterprise is maintained by a single authority possessed of power to carry its plans into effect; coordination among independent enterprises depends on many different authorities which have no power to enforce a common program, except so far as one can persuade or coerce others. As a result of these conditions, coordination within an enterprise is characterized by economy of effort, coordination among independent enterprises by waste".³

(2) The planning of business enterprises aims at making money. If the ultimate test of economic efficiency is that of satisfying the most important social needs in the most economical manner, then business planning must be warped by inequality in the distribution of income. Where a few have money enough to gratify almost any whim and where many cannot buy things required to maintain their efficiency or to give proper training to their children, it can hardly be argued that the goods which pay best are the goods most needed.

(3) From the viewpoint of business itself, planning to make money is a precarious undertaking that often ends in heavy losses or financial ruin. To enlarge upon the hazards of business enterprise in the modern world is superfluous. However skillfully the internal affairs of a corporation are managed, the whole venture may be wrecked by circumstances beyond the control and even beyond the knowledge of the managers. As markets grow wider, investments heavier and financial interrelationships more complicated, it becomes harder

³ See Wesley C. Mitchell, "Business Cycles: The Problem and Its Setting," National Bureau of Economic Research, New York, 1927, p. 172.

for the ablest management to anticipate the conditions which the next few years will bring forth. The movement toward business combinations is largely a business man's remedy for uncertainty—his effort to extend the number of factors which he can control. All business is hazardous and the wise business man is always trying to diminish the risks by combinations or otherwise. But combination by one group of enterprises increases the hazards for other enterprises. It is not surprising that with growing frequency business men have turned to the Government for aid and demanded that it protect them against hazards which they cannot control, including the hazard of combinations among other business men. Many of the plans for legislation or administrative action to rectify or stabilize business conditions come from business men themselves. The extension of economic planning by the Government is becoming a more urgent business need as the scale and the complexity of business plans grow greater. Protests against "too much government in business" are no more familiar than demands from business that government assume burdens that private enterprises cannot carry.

(4) The frequent recurrence of economic crises and depressions is acknowledged evidence that the automatic functioning of our business system is defective. In view of recent events no one longer holds that the business cycle is being ironed out. Instead, it appears that the difficulty of maintaining the necessary equilibrium among different factors in the enormously complicated mechanism is becoming greater rather than less. Aside from the widening of markets and the growth of combinations mentioned above, we face the fact that an increasing part of the annual output consists of semidurable goods which people can stop buying for a time if times are bad. The trend of population from farms to cities, and the diminishing dependence of farm families upon what they can make for their own consumption, their increasing dependence upon selling farm produce to get the wherewithal for buying other goods, mean that general economic maladies afflict more people more seriously than they did in past generations. Business planning has found no effective means of preventing the growth of these factors that tend to make the business-cycle hazard more serious. Rather, the hazard grows graver in large part because of business planning.

(5) As Secretary Wallace has pointed out, recovery from grave economic depressions is being retarded by the divergent policies followed by corporations in highly organized industries and the policies forced upon farmers and other producers. Formerly, when demand for products declined, prices fell in almost all markets and output was checked. As a result, existing stocks of commodities were reduced rather rapidly, costs of production declined with the price of raw materials, and it soon became possible to resume production on

an increasing scale with a good prospect of making profits. Balance was restored through the automatic operations of markets which no producer could control. In recent decades this "natural" process of recovery has become less and less effective. Great corporations often find it possible and advantageous to maintain prices during depressions and to cease production. But if farmers are to live they must continue to produce and to sell for whatever price they can get. Then the low-price group cannot buy what they need from the high-price group, and the latter have small inducement to enlarge their output. Recovery under such conditions is a far slower and more halting process than when all prices were flexible in much the same degree.⁴

It thus appears that there is need for Government economic planning, not to replace business planning, but to render services to the general public and to business itself, which business cannot render. Business cannot satisfy the wants of people who are unable to pay prices that are profitable in the long run, however pressing and important these wants are. Business cannot master the troubles it produces for itself by the widening of markets and the spread of combinations. Business cannot protect itself effectively against the business-cycle hazard. Business cannot maintain equilibrium when the automatic mechanism of markets in which all prices are flexible has been thrown out of gear by the development of a large group of inflexible prices. When the Government attempts planning in these fields it is attacking problems of enormous difficulty with which men can learn to deal effectively only by careful analysis and well-designed experiment. But in trying to find solutions for these problems the Government would not be making inexpert attempts to do what business accomplishes. So far as government succeeded in finding solutions, it would be broadening and making safer the field of private enterprise.

Coordinated Planning: The weakness of our American planning in the past has been the failure to bring the various plans and planners, public and private, into some form of concert with one another, to develop public interest planning in concert with planning in the private interest. The plans of business, the plans of labor, the plans of agriculture, the plans of science and technology, the plans of social welfare, the plans of government, have not heretofore been aligned in such manner as to promote the general welfare in the highest degree attainable. Much of the unbalance, insecurity, and suffering which our country has experienced in the past might be avoided in future by a more perfect coordination of the knowledge which we already possess.

Much remains to be achieved in bringing together a complete and rounded view of important planning programs actually in progress, and in avoiding the adoption of plans which are incompatible with each other, by the construction of designs for more skillful adaptation of

⁴ See Henry A. Wallace, "New Frontiers", New York, 1934

different programs to each other and to the national interest. Unless vigorous and intelligent action is taken there is grave danger of heavy loss from the lack of planning among the planners themselves.

First of all, beginning with the local jurisdictions, the plans of cities, counties, and States may well be brought together far more closely in a better form of relationship. Doubtless the State planning boards which have recently come into being will do much to improve the situation at this point. Next, the plans of the several States have little relation to each other, even though their problems may often be found in common, as in the case of highways. Further, the plans of the Federal Government and those of States and cities are developed independently of one another in large measure and without regard to any unity or consistency of program.

At the same time various types of governmental planning must be related to industrial planning, to semi-public planning, to the types of planning developed by technical and professional groups.

III What is Involved in Planning?

Planning consists in the systematic, continuous, forward-looking application of the best intelligence available to programs of common affairs in the public field, as it does to private affairs in the domain of individual activity. In every well-directed home, in every business, in every labor or agricultural group, in every forward-looking organization, social planning goes on continuously, and in the world of government is no exception.

Several considerations are important in looking at plans for planning:

- (1) The necessity and value of coordinating our national and local policies, instead of allowing them to drift apart, or pull against each other, with disastrous effect.
- (2) The value of looking forward in national life, in advance rather than afterward, of preventing the fire rather than putting it out.
- (3) The value of basing plans upon the most competent collection and analysis of the facts.

In any case, not all planning is or should be national planning. There is local and State planning, and planning by quasi-public and private agencies and institutions all over the land. The city planning boards thus far chiefly concerned with physical plans and the State planning boards just beginning their work, to say nothing of scores of industrial and other organizations, will continue to develop their special points of view. The centralization of all planning in Washington is not contemplated, and even if possible would not be desirable, since planning is an attitude and practice that must command the confidence and cooperation of wide groups of people to ensure successful operation, must come from the bottom up as well as from the top down, from the circumference as well as the center.

It may reasonably be anticipated that many of the most useful suggestions regarding types of planning will emerge from jurisdictions outside the Federal Government, and outside the governmental group altogether, from detached individuals and associations of individuals, industrial, scientific, or otherwise.

Planning then does not involve the preparation of a comprehensive blueprint of human activity to be clamped down like a steel frame on the soft flesh of the community, by the United States Government or by any government.

Second, planning does not involve setting up a fixed and unchangeable system but, on the contrary, contemplates readjustment and revision, as new situations and problems emerge. Planning is a continuous process, and necessitates the constant reexamination of trends, tendencies, policies, in order to adapt and adjust governmental policies with the least possible friction and loss. The national life is like a moving wave in which a new equilibrium must constantly be found as it sweeps forward. Even physical planning is subject to continuing revision as new factors such as the motor vehicle appear to supersede old ways, while planning, in the broader sense of the term, is likewise subject to change as new inventors come in to disturb older calculations.

Stubborn adherence to an outworn plan is not a mark of intelligence but stupidity, whether in the life of individuals or of nations. Prudence would, of course, dictate that reasonable stability should not be endangered by capricious or arbitrary shift of plans, but would with equal force insist that policies must be promptly modified as emerging trends and new situations necessitate recasting.

Third, it is false and misleading to assert that all planning involves wholesale regimentation of private life. Sound planning on the contrary brings about a fresh release of opportunities rather than a narrowing of choice. Street planning and traffic regulation operate for freer use of the highways than unplanned streets and uncontrolled traffic. Laws regulating unfair trade practices release the energies of fair-minded men for other activities than that of guarding against fraud and trickery.

It cannot be forgotten that regimentation is a brutal fact in many private industries now. The modern type of nation was set up in order to break down the old private or semiprivate tyranny over roads, justice, taxation, and to establish public and national control over robber-baron situations that became unendurable. An individual business man may be absolutely regimented by a ruthless monopoly, just as an individual worker would be helpless against terms dictated by an employer. Over and over again in the United States, as elsewhere, the community has been obliged to intervene to protect the weaker against the insolence and oppression of private citizens who perpetrated injustice and outrage upon their weaker brethren.

Indeed it may be found that some of those who cry "regimentation" when public planning is mentioned foresee interference with their own practices of private regimentation and exploitation of otherwise helpless persons under their private control. Those with special privileges to protect and preserve naturally object to any public planning that may dislodge them from a preferred position where they are able to exact tribute from their fellow men. This is by no means the only type of opposition to planning, but it is one to which attention must from time to time be directed, since it arises from a type of exploitation from which explosive reaction is most likely to result.

The truth is that it is not necessary or desirable that a central system of planning actually cover all lines of activity or forms of behavior. Such planning overreaches itself. Over-centralized planning must soon begin to plan its own decentralization, for good management is local self-government under a centralized supervision. Thus wise planning provides for the encouragement of local and personal initiative, realizing that progress may as easily be smothered by over-centralization as by its opposite. Not all government can ever be central government, or all life public life. Experience shows that there must be wide ranges of affairs in which independent criticism, independent judgment, independent initiative is given opportunity for free growth and development in associations as in individuals. One of the recurring tasks of statesmanship is to cultivate and encourage decentralization. In the excited discussion over this subject, it is often forgotten by both sides that genuine planning really includes planning to preserve and even create noncontrolled free areas of activity. Planning is not an end, but a means, a means for better use of what we have, a means for emancipation of millions of personalities now fettered, for the enrichment of human life in ways that will follow individual interest or even caprice. We may plan indeed for fuller liberty and are so planning now.

When men express sincere opposition to all governmental planning, it can only mean a grave misunderstanding of what planning really is, or an opposition to some special detail of planning that seems undesirable, rather than to the general principle.

Wise planning is based on control of certain strategic points in a working system—those points necessary to ensure order, justice, general welfare. It involves continuing reorganization of this system of control points from time to time. The number of controls is never as important as their strategic relations to the operation of the society in which they work. At various times, the community has found it necessary to deal with landowners, with slavery, with the church, with the army, with industrial or labor captains, with racial groups, adjusting control points to meet special situa-

tions, and restricting some privileges at one point while releasing other forces and individuals at other points.

It is this shift in the form of planning, the change in strategic planning points, as social and economic conditions change, that leads some to the erroneous conclusion that we have never planned before in America, when in point of fact our planning has been continuous and varied as conditions varied.

The essence of successful planning is to find these strategic points as new situations develop, without too great delay, and without seizing more points than are necessary for the purpose—or for longer time than is necessary for the purpose. Insight, sagacity, inventiveness, cooperative spirit, are far more important at this point than the club.

Some of these strategic planning points developed in the history of this Nation have already been mentioned. In more recent times, national attention has been directed toward land and water utilization, conservation of natural resources, flood control, regulation of public utilities, unfair trade practices; still more recently to the banking and financial structure of the Nation, to industrial insecurity, both on the part of worker and investor, to unemployment, to social insurance and welfare problems, to un-American living standards—these among a wide variety of emerging issues of national significance.

In the organization of planning undertakings, the cooperation of the natural and social sciences is of the highest importance. The highest scientific talent of the Nation would be available for the purpose of systematic national planning and the Government could count upon the cordial and unremitting cooperation of impressive agencies of investigation and exploration already organized to render effective service such as the American Academy of Science and the Social Science Research Council. The guaranty of such assistance is of deep importance in considering the possibilities of planning. In the natural science field arise many of the inventions and technologies which while increasing our possibilities for weal, also make possible much woe if they are not fortunately set in the framework of the social and economic structure. The cooperation of scientists in this field should make possible a wiser and sounder adaptation of technology to economic and social advancement. The cooperation of the social scientists with their research in the field of human behavior should correspondingly facilitate the making and perfecting of social inventions, keeping pace with those in natural science. The memoranda presented by those organizations are impressive in nature and full of promise for technical cooperation in the national planning of the future. In the previous chapter of this report attention is given to the basic data indispensable for the purpose of scientific mapping and planning.

It cannot be too strongly stated that we do not approach the planning of natural and other American resources in any spirit of defeatism. The present emergency may have hastened the growth of systematic planning, but the careful inventory and appraisal of our resources, and the consideration of how we may most effectively utilize these resources, could not in any case have been long delayed, after our frontier had been closed and the progress of mechanical invention established as a permanent factor in our civilization.

We do not stand at the broken end of a worn-out road, but look forward down a broad way to another era of American opportunity. Among the nations of the world, America has stood and still stands for discovery, for pioneering across a great continent, for fearless experiment in directions where others had failed, for achievement in mechanism and management, for ready adaptation to new conditions and easy adjustment to new ways of life. When we are resigned to drifting and too weary to plan our own American destiny, then stronger hands and stouter hearts will take up the flag of progress and lead the way out of difficulties into attainment.

IV. Organization and Functions of a Permanent Planning Board

In view of the facts set forth in the report of the National Planning Board, the National Resources Board recommends that the Federal Government create a permanent national planning board, directly responsible to the country's Chief Executive. The function of the proposed board would not be to supplant the numerous planning agencies now active in various departments of the Federal Government or elsewhere but to supplement their work and to promote closer coordination among the plans they severally prepare for submission to the President.

The necessity of consultation with labor, agriculture, and industry and the presentation of their respective points of view at all stages of the planning process has already been stressed. It is to be assumed that these points of view will be presented to a national planning board. Effective technical planning must be related to social directives. The interests of all groups can be furthered only if there is intimate experience of the needs to be served.

The outlines of the structure, activities, procedure, and relations of such a permanent national planning board are indicated in the following paragraphs:

(1) Organization:

It is recommended that a national planning board be set up consisting of not more than five members, appointed by the President of the United States; and, in addition, a rotating panel of consultants, appointed by the board. Responsibility for board action would rest with the five members, and the panel would con-

stitute an advisory group with a voice but not a vote in the findings and recommendations of the board.

It is recommended that the term of the board members be made indefinite, as in the case of the present Civil Service Commission. A long term of office is no adequate protection against an unfriendly or indifferent Executive and Congress; and in any case a deadlock between the board and the authorities would make the success of the board very dubious. A board may be swept out of existence by Congress at any time, or it may be ignored by the Executive and the administration.

On the other hand, the indeterminate tenure does not lead to the removal of board members without some excellent reasons as readily as a fixed term; for the arbitrary removal of men commanding the public confidence and respect would not tend to strengthen the Executive with the Nation.

Life tenure of office for such a board, even if it were possible to obtain it, would not be desirable; for it would tend to widen gaps between the Government and the board, or between the public and the board. In a rapidly changing situation such as is involved in modern planning, the fossilization of a board of this type would be disastrous.

Continuity in the personnel of such a board is useful as a means of preserving and utilizing the accumulating knowledge and experience of its members, and there is nothing to prevent the realization of such advantages in the proposed arrangement. On the other hand, it is indispensable that such a board of strategy command the confidence of the Chief Executive of the Nation, if it is to function in any other than a perfunctory manner. Even the most competent board, however well fortified in a statutory position, could accomplish little in the face of indifference or hostility on the part of the responsible governing officials.

It is recommended that the compensation of the board be fixed at an amount consistent with the importance of the service rendered, and sufficient to make it possible to obtain the services of the high type of competence necessary for such a branch of public service. It is recommended that the panel of consultants be paid at a per diem of \$25, with a minimum annual retainer. It is important that these competent and carefully selected persons be interested in the planning service, so that national planning may be considered from many points of view, and that planning be made a cooperative undertaking in which ideas and suggestions flow freely into as well as out from the center.

The personnel of the board should bring together insight, experience, and judgment in the analysis and interpretation of national planning policies, skill in the invention of ways and means of utilizing the national resources in material and men, and social vision in the fusion of American interests, techniques, and ideals into sounder and more satisfactory national policies.

The guaranty of the selection and the continuity of persons equal to such responsibilities must be found in the judgment of the President of the United States.

Such a rotating panel may well include men or women from various groups able to contribute to national planning—as governmental bureaus, labor, agriculture, industry, the home, technical and scientific societies, and other groups directly concerned with the sound formulation of the lines of our national progress.

While not responsible for board conclusions and action, or for collective research, their advice and council would be of high value in the organization of inquiries, in the analysis and interpretation of data assembled, and in the interrelation of technical conclusions to national spirit and ideals.

It is recommended that there be a director appointed by the board, in general charge of the staff, and a secretary of the board; and that the further organization of sections and divisions of the work be left to the determination of the board.

It is further recommended that the board prepare and present to the President an annual report setting forth and summarizing the work of the board during the preceding year.

It would be necessary to have ample provision for the maintenance of a staff, equal to the performance of the heavy tasks imposed upon it. If national planning is really of substantial importance and value to the Nation, as we believe, it goes without saying that generous support of such an undertaking is indispensable. In general, the staff of such a board as is proposed would consist of:

(a) A permanent skeleton staff of men of undoubted competence with their assistants, possibly organized as a secretariat to a series of committees somewhat like the present technical committee of the National Resources Board.

(b) Government personnel with special skills detailed from time to time for the work of the board.

(c) Experts and assistants brought in from time to time to deal with special problems as they arise. A free fund for this purpose should be available, but inevitably the amounts required would vary widely from one period to another, as different types of assistance were required.

In addition to this, the board should be in close touch with a great variety of agencies engaged in research pertinent to the problem of planning. Among those are the universities and research institutions, the occupational groups, business, labor, agriculture, the professions interested in special lines of inquiry, and the planning and research agencies of other governmental jurisdictions, State and local or regional. A vast amount of material is available from these sources, and a skillful board with the requisite qualities of leadership and with a gift of cooperation would be able

to utilize the research and planning program of other groups for national purposes.

(2) Functions:

The Board and its staff would serve as a clearing house for significant plans of many types developed in Federal, State, or local service—by public or private or quasi-public agencies. Appropriate powers of fact-finding and facilities for plan analysis would be granted to the Board. At present no such national agency exists and there is often serious difficulty in obtaining the necessary data regarding important plans or projects in actual operation among 175,000 governmental bodies and many other quasi-public groups, industrial, research or otherwise.

A mere card catalog of all projects would be of little value for this purpose, but an intelligent understanding of the main lines and types of planning research would be of high value, not only for those engaged in such tasks but to governing officials charged with the final duty of formulating and administering policies.

The Board would have the function of tendering its friendly offices as a coordinator of various Federal plans, and of Federal and State or local plans, or other types of plans where closer cooperation might seem desirable and feasible. For this purpose conferences and consultations would be useful through individuals and through continuing committees for the analysis of conflicting or unrelated plans, and towards constructive efforts to bring into closer harmony broad plans of action not adequately organized with reference to each other.

The coordinating activities of the Board would lie in several overlapping fields of which two may be cited.

(1) Functional coordination such as that recommended by the water resources section in part I of this report and exemplified in the work of the water planning committee.

(2) Geographical or jurisdictional coordination as between local, State, regional and Federal planning agencies. In a two dimensional figure of this sort it is obviously impossible to put any one activity under a single heading, and groups or committees set up to further coordination in general must function to some extent in other fields.

Planning agencies have already been developed in a number of Cabinet and other Federal offices, and it is to be anticipated that more will be set up. Since the division of functions among the several departments is a result of historical growth rather than of planning, "departmental planning" may run counter to "functional" planning. This same difficulty exists in Bureau organization but to such a small extent as to be practically negligible. The establishment of interbureau or other planning divisions would contribute greatly to the sound development of national planning. A

national board and its staff would encourage and welcome such agencies where they are not now found, cooperate with those in active operation, endeavor to bring together lines of planning that seemed to run too far apart or even unwittingly at variance with each other, and in general use its good offices to bring about the best understanding among planners, and the highest and best use of all such research agencies for the common national welfare as seen in the domain of planning. In this field it may be observed in passing that the intelligence and vision of a board and its staff, the respect and confidence they enjoy among groups whose intimate cooperation is indispensable, will be far more effective than statutory powers or bristling governmental sanctions.

The various planning activities going on within departments will continue on an even greater scale than heretofore. The Government bureaus will always be planning in their special fields. Further there are many questions which cut across the boundaries of established departments as in the case of land, water, and mineral resources which are discussed in the text of this report. In such cases the necessary planning requires cooperation and the very existence of a central planning agency facilitates cooperation in many ways.

But every Cabinet member is the head of a huge going concern which he must administer and for which he is responsible. Cabinet members are overburdened with a bewildering variety of administrative duties and are confronted with an overwhelming mass of decisions which cannot be postponed. They are also drawn into the discussion of urgent national problems upon which action is imminent, and in which their relations to the President, to Congress, and to the public are such as to entail upon them the heaviest and gravest responsibilities.

In the sense of having ultimate political and administrative responsibility, the Cabinet members are themselves a final planning council acting with the President and the Congress; but in the technical sense they may advantageously be served and strengthened by an agency more detached from the stress of daily commitments and obligations. A technical general staff has already been found useful both in public and in private business, and might well be adapted to national governmental purposes.

It is equally important that attention be directed to the planning enterprises and studies under way in various quasi-public enterprises and institutions, and to the desirability of relating those different plans to each other more rationally.

Some of the possibilities in coordinated planning of all three types—administrative, functional, and jurisdictional—have been explored during the last year by the National Planning Board and the National Resources Board. Through the land-planning committee with representatives from Agriculture and Interior, interdepartmental coordination in land-use studies has

been pushed forward. Through the Mississippi Valley committee and the water planning committee a functional approach to planning has been developed; and through the Board's interest in State planning new coordination of State and Federal programs has been facilitated.

The flexibility and economy of these types of planning organization have been proven through the efforts of the last 2 months to prepare the land, water, and mineral reports contained within these covers. With a small central staff, necessary funds, and the hearty cooperation of numerous Federal, State, and private agencies, needed basic data and policy recommendations can be developed with speed, economy, and assurance.

One of the duties imposed upon the previous National Planning Board, and now on the National Resources Board, is that of encouraging and stimulating interest in various forms of planning—State, local, and regional. Judging from the experience of the last year, this is a field of very lively and keen interest. Over 40 State planning boards sprang into existence almost as if merely awaiting the suggestion. Regional planning agencies were likewise developed with great enthusiasm, while the work of city boards was rejuvenated, especially during the period of assistance afforded by the generosity of the Civil Works Administration. It is clear that there is a wide range of necessary activity in the interchange of information and experience regarding planning systems, and in assisting groups anxious to undertake planning in the most effective manner.

Centralization of planning activity is essential to the healthy growth of those local and individual interests upon which public support and understanding rests. It is also essential in the development of the planning movement to develop responsibility in State and local officials and to find new leaders and enthusiasts.

It would further be the function of the board to initiate independent lines of inquiry into various aspects of a national program, contemplating the wisest use of our national resources, and to present the results of its work to the President with such findings and recommendations or alternative recommendations as may be indicated by comprehensive research and mature reflection; and for such use as the responsible governing agencies of the Nation might deem appropriate under all the circumstances. A discussion of some possible types of inquiry is found in earlier paragraphs of this report.

If successful, such efforts should make it possible to apprehend more clearly and promptly the emerging trends and problems of the Nation, and should contribute to the formulation of sound national policies adapted to the technological, economics and social changes in the American life.

It cannot be too strongly emphasized that the function of such a board as proposed is not that of making

final decisions upon broad questions of national policy—a responsibility which rests firmly upon the elected representatives of the people of the United States. Such a board would be useful in proportion as it was detached from immediate political power and responsibility, as a general staff gathering and analyzing facts, observing the interrelation and administration of broad policies, proposing from time to time alternative lines of national procedure, based upon thorough inquiry and mature consideration, constantly preparing and presenting to the authorities its impressions, findings, conclusions, recommendations for such disposition as those entrusted with governmental responsibility may deem appropriate. How keenly such a board might observe what is happening, how wisely it might judge, how intelligently it might invent, how shrewdly it might interpret the national interests and values—such considerations would in the long run determine its usefulness and permanence.

The role of a national planning board in American life might become of great importance and value in helping to find the difficult way toward the realization of that union of popular control in Government and wide-spread diffusion of welfare and well-being which has been the promise of American life, not yet attained but constantly the goal of undaunted American endeavor.

Such a board if composed of men gifted with the rare qualities necessary for such high enterprise, amply supported by indispensable staff and equipment, might well prove an important factor in the difficult period of transition through which we pass—a period in which there is reason to believe that change will be more rapid than ever before in human history, that social adjustment will be more urgent than ever before. But by the same logic, a period in which the possibilities of human advancement are greater than ever before.

A planning board might facilitate the interchange of experience and information regarding a wide variety of planning devices in many lines and on many levels; it might help to bring together planners and their plans, lest they drift apart or fall afoul of each other; it might reach out in pioneering spirit and explore new possibilities or suggest new devices by which America might advance more swiftly and surely.

Standing apart from political and administrative power and responsibility, but in close touch with the chief executive and under the control of the political powers that be, such a group of men would have large opportunity for collecting the basic facts and for mature reflection upon national trends, emerging problems and possibilities, and might well contribute to those in responsible control, facts, interpretations and suggestions of far-reaching significance.

It is easy to underestimate the possibilities of the wise use of a competent general staff for our Government in peace as well as in war.

WE NEED A NATIONAL PLANNING MECHANISM

RUSSELL E. TRAIN

A CAVALRYMAN'S GUNSHOT, in April of 1889, sent nearly 100,000 men and women racing across the border of the Oklahoma Territory to stake claims to some two million acres of land. A few hours later, not a single inch of that land remained open for settlement.

In 1846, two years before the discovery of gold at Sutter's Mill, there were only about 500 American settlers on the California coast. By 1850, the gold rush had swelled the number of settlers to nearly 100,000.

These two familiar episodes in our history serve as well as any to illustrate and underscore the characteristic American approach toward settlement of our land and development of its resources. Less familiar is the fact that there were, even in the early days of the Republic, some who favored a far different approach.

In the first century of the new nation, most of the land within its borders—especially as those borders expanded with the acquisition of new territory—was owned by the federal government and constituted a national domain to be disposed of for the common benefit of the people of the United States. At one time, the federal government held title to an estate of some 1.3 billion acres—nearly twice as much as it owns today. At its largest, the public domain—excluding Alaska—covered nearly three-fourths of the entire country. From the very beginning there were those who argued that the government should carefully control the settlement and disposition of its land. The most distinguished spokesman for this point of view was John Quincy Adams, who sought to secure orderly and compact settlement and to make the public land a source of public benefit as well as private profit.

In the words of his biographer, Samuel Flagg Bemis, Adams "regarded the public lands more as a potential fund to pay off the country's debt and to finance a general system of internal improvements than he did as a national domain to give away to settlers. Orderly settlement would come in the wake of internal improvements, rather than internal improvements follow the quick population of the land." Along with this concept of

internal improvements, Bemis continues, "would go a broad program of conserving and developing the public domain as a national blessing. A humane policy of Indian removal would transfer the tribes to the west of the Mississippi. . . . As highways and canals approached the West the public lands would rise in value. Scientific administration would distribute and settle them carefully and compactly. Proceeds of land sales, following the extinction of the national debt, to which they were pledged, would 'reflow in unfailling stream of improvement from the Atlantic to the Pacific Ocean.'"

In the face of enormous pressures for rapid settlement and unrestrained exploitation of the nation's vast and virgin lands, Adams was never able to generate much support for his views. And the growth of the nation has, for the most part, proceeded at a pace and along patterns which were based upon the assumption that in a land so rich and wide, we would never run out of room or resources. We had, we believed, an unlimited supply of these; what we lacked was economic wealth and physical development and all the advantages and opportunities that these would bring. Our task was to transform our enormous natural wealth into economic wealth—to people the empty spaces and to put to productive use the "unimproved" and "undeveloped" resources our land contained.

The challenge of scarcity

It is unfortunate, if understandable, that John Quincy Adams was not able to muster at least enough of a constituency to exert a restraining influence upon our pace and patterns of settlement as well as upon our exploitation of natural resources. He would, I suspect, have far greater success today when, after two centuries of relatively unrestrained growth, the nation is confronted with increasing physical constraints and relative scarcities and shortages of basic commodities and resources.

The Arab oil embargo simply underscored what environmentalists and others had been saying for some time: that our physical and industrial growth has occurred in ways that have not only over-

loaded our environment with pollutants to the point where they often present very real hazards to human health, but have also placed increasingly insupportable strains upon our supply lines.

We have had other, less dramatic warnings that our reservoir of resources is nowhere near as full as we have always assumed it to be. In May, 1973, a report of the U.S. Geological Survey concluded that it was by no means too early to become concerned about our future mineral supplies and to start making plans to deal with possible shortages. A month later, the final report of the National Commission on Materials Policy pointed out that, even if the United States decided to reduce to the barest minimum its reliance upon materials imports, it simply could not insulate itself against the repercussions of economic and political conflict that would inevitably accompany shortages elsewhere. At the end of last year, a Department of Agriculture study said the world was nearing the point at which countries will have to agree to limit fish catches to avoid destroying the ocean's basic food-producing stocks.

More recently, in the spring of this year, the Government Accounting Office issued a report to the Congress on "U.S. Actions Needed to Cope with Commodity Shortages." The report found, among other things, that:

- The United States has recently encountered shortage problems not only in energy but in such commodities as meat, lumber, plywood, zinc, soybeans, edible oils, scrap metal, cattle hides, cotton, wheat, corn, steel, wool, chemicals, fertilizer and aluminum.

- The basic supply-and-demand data on commodities and other resources are, in many instances, unavailable, inadequate or disputed. (In this regard, *Science* magazine recently reported that the National Academy of Sciences is trying to mediate a serious dispute between the U.S. Geological Survey and several authoritative critics—including M. King Hubbert, a former president of the Geological Society of America and a research geophysicist with the Geological Survey—over the Survey's estimates of U.S. domestic oil and gas reserves. Hubbert and other researchers are convinced the estimates are far too high.)

- Commodity policy formulation involves "more than 20 government departments, agencies, offices, administrations, and policy councils, as well as additional international program agencies, energy agencies, advisory councils, and regulatory agencies."

- "The government's decision-making process for commodities that are in short supply is essentially ad hoc and crisis-oriented. There is no clear,

coordinated decision-making mechanism for formulating policies to alleviate commodity shortages."

In short, the report finds that we have become afflicted with shortages in a wide range of commodities, that we are simply not organized to make coherent and comprehensive decisions concerning supply and demand in these commodities, and that even if we were so organized, we do not have the information we need to make the decisions. It recommends, among other things, that the Congress "consider the need for legislation to establish a centralized mechanism for developing and coordinating long-term policy planning."

Early this year, I expressed my view that the nation had better start facing up to the almost overwhelming reality of the long-range problems of energy, of food and resource supply, of human numbers, and of uncontrolled growth. To begin to deal with these problems—indeed, even to begin to ask the right questions—we should develop an effective institution in the federal government for long-range analysis of the problems—not just in economic terms, but in terms of their social and environmental impact and implications as well. We were, I pointed out, almost totally lacking such a capability—an appalling lack in a nation with as big a stake in the future as the United States.

I was not alone in recommending national analysis of long-range problems. Several weeks earlier, the business and economic community—which, by then, had come to believe that nothing could surprise it any more—had received the rather unsettling news that such an ardent advocate of the unmanaged market as Herbert Stein, chairman of the President's Council of Economic Advisers, not only felt there was not enough forward evaluation in the federal government of such things as materials and population prospects, and many other future factors, but thought that "maybe we need an economic planning agency like the Japanese or French." Indeed, in calling for some form of long-range analytical capability in the federal government, Mr. Stein and I were simply part of a rising chorus of voices that included not only a number of authoritative reports such as those I have mentioned, but such experienced and informed public servants as Chester Cooper, formerly of the National Security Council, and Richard Nathan, formerly assistant director of the Office of Management and Budget.

The fact is that the really critical issues before the country are not the immediate and isolated ones, but the interrelated and long-range ones—indeed, the day-to-day "crises" that seem to

capture all our attention and consume all our energies are, for the most part, simply manifestations of far deeper problems that we never seem to get around to acknowledging, much less addressing. The old cliché that everything relates to everything else and we live in an interdependent world has become *the* fundamental fact of our economic, social and political life. Our economic health and growth, our patterns of settlement and physical development, our social stability and strength—these both determine and depend upon a vast and intricate system of material (including food), energy and environmental resources. Under these conditions, we cannot hope to come to grips with the issues before us unless we strengthen our ability to assess problems and programs, not simply in isolation, but in relation to each other; not simply over the short term, but over the longer span of ten, 20 or 30 years.

Without this capacity at the national level, we will never be able to work the kinds of accommodations between demands for and supplies of resources that will enable us to achieve stable and sustainable levels and kinds of growth. We often forget that *time* itself has become one of our most critical resources. If we expect to solve the problems of the 1980s and 1990s, we need to start now—as we should have started some years ago—to foresee and forestall the present energy crisis. To the degree that we fail to do so, we foreclose the options open to us.

In an age of resource scarcities and physical constraints, we are going to have to be a lot more choosy than we have been in the past. We no longer have as much room for maneuver and margin for error as we once did. We are, as a result, going to have to engage in some long-range planning.

The National Resources Planning Board

The National Resources Planning Board (NRPB), which in various forms spanned the decade from 1933 to 1943, was the only permanent federal agency in the nation's history explicitly responsible for overall national planning. The first incarnation of the NRPB occurred when Harold Ickes, Secretary of the Interior and head of the Public Works Administration, discovered he had no orderly plan to follow and set up the National Planning Board to undertake long-range public-works planning. In 1934, the agency was reconstituted as an inter-departmental group called the National Resources Board and given independent status as the primary

planning organ of the federal government. Finally, in 1939, as the National Resources Planning Board, the agency became part of the Executive Office of the President.

Over the decade of its existence, the board assumed broad planning and coordinating functions in almost every important area of national policy. Based on its quarterly reports on trends of business and unemployment, it formulated long-range plans for work relief, finance, and fiscal policies. It developed a comprehensive national transportation policy. It made recommendations for energy resource development, use and conservation. It became involved in urban and rural land planning, encouraging and developing improved planning techniques and data as well as regional planning programs.

In the words of one analyst, it produced "definitive statistical and analytical studies . . . on such vital but neglected subjects as river basin development, city governments, city planning, urban and rural land policy, technology and research, patterns of industry, energy resources, trends in population, income and spending habits of consumers, housing and transportation."

The board apparently felt that, as a matter of policy, a staff arm of the President should not develop close relationships either with the Congress as a whole or with individual members. And the Congress, inevitably, looked with an increasingly jaundiced eye upon an agency whose scope was so sweeping and which had direct access to the President. In 1943, for a variety of reasons, the Congress abolished the board.

Besides the fact that it did little to try to gain Congressional and public support, the board never did decide whether its main job was to spur and stimulate public works projects and activities at all levels of government or to advise the President on long-range economic and social problems. Charles Eliot, the staff director, believed that planning should result in something immediate and concrete, "something that one could take bids on tomorrow." On the other hand, Charles Merriam, a member of the three-man board, was fond of referring to the Constitution as "an economic and political plan on a grand scale."

The board did produce an array of excellent and authoritative studies. It did a great deal to stimulate state and local planning. And many coordinative and planning functions have been taken over by various federal agencies. But despite the suspicions of Congress, the board does not

seem to have had much of an influence upon national policy. If it owed its very existence to the depression, it was also in some ways a victim of the fact that first the depression, and later the Second World War, placed such a high premium on immediate action and results.

An Office of Long-Range Analysis and Evaluation

In 1958, a member of the staff of the Bureau of the Budget concluded an examination and assessment of the work of the National Resources Planning Board by considering the question of whether a new overall planning agency should be established along the lines of the old board. He pointed out that in the years since the NRPB was abolished, most of its functions had, in effect, been absorbed by an array of planning institutions and activities both within the Executive Office of the President and within the various executive departments and agencies. He felt that, for these reasons, history had "passed by the NRPB approach to federal planning organization" and that "long-range as well as immediate federal planning should be undertaken by that department or agency of the executive branch which has a continuing substantive operating responsibility in the fields most directly associated with the planning."

He might, I suspect, decide differently if he sat down today to review and reflect not only upon the experience of the NRPB, but upon our experience over the past 15 years with the fragmented planning arrangements that he believed had rendered unwise and unnecessary the resurrection of anything like the NRPB. We are, as I have suggested, faced with a whole new spectrum of problems that simply cannot be divided up and dealt with by the present bewildering variety of federal agencies and offices, each of which is interested, inevitably, in exercising its muscle and extending its turf. Under these conditions, it is not surprising that interagency contact and "coordination" should at times seem to resemble a free-for-all in the dark. It was not without some justification that a close and keen analyst of the federal bureaucracy such as Donald Schon could remark that "it sometimes appears to an outside observer that the federal government contains many extremely intelligent, highly dedicated, experienced individuals who work long hours over long periods of time canceling out one another."

There is probably no more compelling evidence of the need for a permanent mechanism for long-range analysis and evaluation than the multitude of interdepartmental task forces, committees and

commissions that in recent years have appeared and disappeared, flourished and faded, as the crises that led to their creation have come and gone. The President's Domestic Council and the Office of Management and Budget come closest to resembling the kind of permanent mechanism overseeing all areas of agency interest that we require. But both of these institutions are so inescapably occupied with immediate problems and with day-to-day decision-making that they cannot give much time or attention to long-term, interrelated issues.

What we need, in fact, is a mechanism that will produce the kinds of information, analysis and evaluation of issues that will enable us to understand the long-term impact and implications of the decisions we must make.

Last year, the Woodrow Wilson International Center for Scholars in Washington, D.C., brought together in a series of seminars, one of which I chaired, a number of high-level present and former government officials to explore in detail and in depth the need for a long-range planning mechanism in the federal government. On the basis of these discussions, a specific proposal was developed that, in my judgment, merits the most serious consideration.

The Woodrow Wilson proposal recommends establishment in the executive branch and in the Congress of an Office of Strategic Policy Assessments. The basic task of the office in the executive branch would be to identify emerging long-term trends and problems, to spell out and evaluate alternative courses of action to deal with these trends and problems, and to assess actions already under way. The staff of this office would be relatively small—between 30 and 50 people—and would reflect a wide range of expertise. Rather than undertake major research efforts of its own, the staff would encourage and oversee appropriate research projects and efforts both within and outside the federal government. It would have the opportunity to review and comment upon such items and matters as the President's budget, federal resource-allocation decisions, major Presidential policy statements, and legislation with important long-term policy implications.

It seems clear that, if this assessment office is to have any real influence upon the major decisions that determine federal policy, it must be located within the Executive Office of the President. Precisely where it might best be located within the executive office is not so clear. The Woodrow Wilson proposal suggests two possibilities: to put the assessment office within the Office of Manage-

ment and Budget, or to set it up as an independent agency within the executive office. Each of these possibilities has its advantages and disadvantages. Since the Office of Management and Budget does play such a strong and central role in shaping federal policy and programs, it seems in many ways the logical place to locate the assessment office. Most of the matters that OMB must make decisions upon come up as individual, isolated items; and OMB has not the time or resources to do the continuous, cumulative research and analysis that would enable it to weigh these matters in terms of their broader impacts and long-range implications. The presence of an office of long-range analysis and assessment would permit OMB to make its decisions in the light of this larger context. As an arm of such a powerful agency as OMB, the assessment office would, in turn, be assured that its requests and recommendations would be taken very seriously by the federal bureaucracy. It is, on the other hand, possible that an assessment office would remain relatively inaccessible to the public and that, even to the degree that its analyses and evaluations do become public, their objectivity and integrity might be open to question. The effectiveness of the NRPB was always, to some degree, undermined by the fact that it was never clear whether its recommendations were the result of objective evidence and impartial analysis or of its desire to support the President's programs.

As an independent agency within the Office of the President, the assessment office would not run the risk of becoming simply an obscure and relatively ineffective part of OMB. It would have far greater public visibility, and it would probably have less difficulty in securing general confidence in the integrity and objectivity of its analyses and evaluations. On the other hand, its isolation from the actual decision-making process might very well

diminish its impact upon that process as well as its ability to command the support and cooperation of the federal bureaucracy.

The Congress is far less equipped and organized than the executive branch to deal with interrelated and long-range issues. The establishment of an office of long-range analysis to serve the Congress would measurably improve its ability not only to deal with the fundamental issues that face the country, but to function far more effectively as an equal partner with the executive branch in the creation of national policy. The Woodrow Wilson proposal suggests that the charter and staff of the Joint Economic Committee could be suitably broadened and strengthened, or—what it regards as preferable—that the long-range analysis and assessment function be given to the new Office of Technology Assessment. That new office is concerned with the advance assessment of technology, not simply in the narrow sense, but in the broader social and economic implications and impacts. The fact that the board is composed entirely of members of key committees of the House and Senate would mean that the work of the office would be directly linked to the decision-making process in the Congress.

Precisely how these offices of long-range analysis are organized and where they are located are not unimportant matters; their organization and location would very much determine how effective and influential they are. And if they are not to be effective or influential, there is no point in establishing them.

What is most important and urgent is that they be established as competent and continuing institutions whose cumulative efforts will enable us, as a nation, to come to grips with the kinds of problems that will increasingly confront us in a new age of scarcity and interdependence.

Reflections on Planning: The Value of Uncertainty

Economics/Society/Technology
by
Kenneth E. Boulding

I have been involved lately in a committee which is thinking about planning for my university, so I have been forced to think about planning myself. Planning is a good or a bad word depending to a considerable degree, I suspect, on whether one is doing the planning or whether one is being planned. My reflections on the subject have taken the form of twelve rather haphazard propositions, none of which I put forward as being necessarily true, but which are perhaps plausible enough to be worth investigating.

1. The world moves into the future as a result of decisions, not as a result of plans. Plans are significant only in so far as they affect decisions. Planning may be defined in such a way that it is part of the total decision-making process; but if it is not part of a decision-making process, it is a bag of wind, a piece of paper, and worthless diagrams.

2. Planning as part of the decision-making process may be defined as any conscious intellectual activity resulting in communications to decision-makers which is considered successful if future decisions are improved.

3. It is by no means easy to say what we mean by improving future decisions, although the concept does not seem to be meaningless. This is because the "goodness" of a decision is hard to evaluate, and still harder to measure. Thus, unless we can have some measure of the "goodness" of decisions, it is very hard to know which direction constitutes improvement—that is, which way is up. One possible measure is the amount of regret which is generated by looking back on past decisions. In this sense, the success of planning might be measured by the extent to which it diminishes regret, especially considered and carefully examined regret. This is something about which busybody social scientists might conceivably ask people, and so it is hypothetically measurable.

4. All decisions involve the evaluation of alternative images of the future, and the selection of the most highly valued feasible alternatives. Decisions, therefore, involve two elements: An *agenda* consisting of alternative images of the future with degrees of uncertainty applied to each and an image of the relation between present action and the future trajectory. Then, in addition, there must be a *valuation scheme* from which comes a preference ordering at least sufficient to identify the best elements of the agenda, which

is presumably what is chosen.

5. Both agendas and valuation schemes are mainly learned by the decision-maker from past information input. What is usually called "planning" is an activity which produces the product of planners, which takes the form of some kind of communication. This is usually only a small part of the total information input of decision-makers, and there is no certainty that its impact is positive for producing better decisions rather than worse. The study of the effects of the planner-product has been much neglected.

6. Evaluation and decision strategy, and the quality of decisions in general, depend very much on the degree of uncertainty of the items on the agenda. The greater the uncertainty of the agenda, the higher the value which should be placed on decisions which leave future options open—that is, on "liquidity" and noncommitment. Decision-making under high degrees of uncertainty is a very different kind of beast from decision-making under low degrees of uncertainty. Decision-making under conditions of absolute certainty is unknown in the real world.

7. An important source of bad decisions is illusions of certainty, which often lead to decisive action which zeros in on disaster. The great danger is that the product of planning frequently produces illusions of certainty simply because it is dressed up so prettily. Planners often dislike uncertainty, and decision-makers dislike uncertainty even more and so tend to neglect the uncertainty which may be in small print in the planner-product.

8. Computerized and numerical models, especially those with fancy diagrams and print-outs, are almost certain to produce illusions of certainty and may therefore easily lead to bad decisions. A study of computer-induced disasters, from bankruptcies to wars, is much overdue; we do not seem to have techniques for understanding uncertainty in the context of computerized models.

9. From the point of view of the quality of the total decision-making process, as measured by how much in general things go from bad to better rather than from bad to worse, there are optimum degrees of inefficiency and ignorance, and an optimum degree of decentralization. When efficiency leads to a loss of adaptability, and information leads to illusions of certainty, and centralization leads to both of these, we have a magnificent design for extinction.

Under some circumstances the reports of planners may increase the chance of extinction in these ways.

10. But the product of planning could be quite consciously designed to increase the chance of making better decisions. The most valuable products might be:

—The widening of agendas—that is, helping the decision-maker to think of things not already thought of; narrowing of agendas is often an important source of bad decisions. If anybody says, "I have no alternative," you know something has gone wrong.

—The examination of values and the critique of value-indicators—that is, objective functions. Planner-product might be able to help decision-makers who ask "Do I really want X?" (X may mean getting bigger, or richer, or more noticeable, etc.).

11. Planner-product might improve decision-making also if it included some things which are not now usually included—such as the study of past bad decisions, early-warning signals, the failure of past predictions, etc.—which might improve the cue system of the decision-maker. Not enough thought has been given to the question of what planner-product would be most helpful.

12. Planning is probably most useful in organizations with rather simple objectives such as making money. The only thing that prevents planning from being disastrous in government is that it is not usually believed, governments being multi-purpose, multi-objective organizations. Indeed, planning is likely to be particularly disastrous in universities where the optimum degree of inefficiency and decentralization is very large and where the objectives cannot be expressed by any single algorithm. Quantification and computerization can lead to general decay in this situation.

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Source: Technology Review. Oct.-Nov. 1974.

PART III

ALTERNATIVE VIEWS OF PLANNING

The Science of "Muddling Through"

Charles E. Lindblom

SUPPOSE an administrator is given responsibility for formulating policy with respect to inflation. He might start by trying to list all related values in order of importance, e.g. full employment, reasonable business profit, protection of small savings, prevention of a stock market crash. Then all possible policy outcomes could be rated as more or less efficient in attaining a maximum of these values. This would of course require a prodigious inquiry into values held by members of society and an equally prodigious set of calculations on how much of each value is equal to how much of each other value. He could then proceed to outline all possible policy alternatives. In a third step, he would undertake systematic comparison of his multitude of alternatives to determine which attains the greatest amount of values.

In comparing policies, he would take advantage of any theory available that generalized about classes of policies. In considering inflation, for example, he would compare all policies in the light of the theory of prices. Since no alternatives are beyond his investigation, he would consider strict central control and the abolition of all prices and markets on the one hand and elimination of all public controls with reliance completely on the free market on the other, both in the light of whatever theoretical generalizations he could find on such hypothetical economies.

Finally, he would try to make the choice that would in fact maximize his values.

An alternative line of attack would be to set as his principal objective,

Source: Public Administration Review, Spring. 1959

either explicitly or without conscious thought, the relatively simple goal of keeping prices level. This objective might be compromised or complicated by only a few other goals, such as full employment. He would in fact disregard most other social values as beyond his present interest, and he would for the moment not even attempt to rank the few values that he regarded as immediately relevant. Were he pressed, he would quickly admit that he was ignoring many related values and many possible important consequences of his policies.

As a second step, he would outline those relatively few policy alternatives that occurred to him. He would then compare them. In comparing his limited number of alternatives, most of them familiar from past controversies, he would not ordinarily find a body of theory precise enough to carry him through a comparison of their respective consequences. Instead he would rely heavily on the record of past experience with small policy steps to predict the consequences of similar steps extended into the future.

Moreover, he would find that the policy alternatives combined objectives or values in different ways. For example, one policy might offer price-level stability at the cost of some risk of unemployment; another might offer less price stability but also less risk of unemployment. Hence, the next step in his approach—the final selection—would combine into one the choice among values and the choice among instruments for reaching values. It would not, as in the first method of policy-making, approximate a more mechanical process of choosing the means that best satisfied goals that were previously clarified and ranked. Because practitioners of the second approach expect to achieve their goals only partially, they would expect to repeat endlessly the sequence just described, as conditions and aspirations changed and as accuracy of prediction improved.

BY ROOT OR BY BRANCH

For complex problems, the first of these two approaches is of course impossible. Although such an approach can be described, it cannot be practiced except for relatively simple problems and even then only in a somewhat modified form. It assumes intellectual capacities and sources of information that men simply do not possess, and it is even more absurd as an approach to policy when the time and money that can be allocated to a policy problem is limited, as is always the case. Of particular importance

to public administrators is the fact that public agencies are in effect usually instructed not to practice the first method. That is to say, their prescribed functions and constraints—the politically or legally possible—restrict their attention to relatively few values and relatively few alternative policies among the countless alternatives that might be imagined. It is the second method that is practiced.

Curiously, however, the literatures of decision-making, policy formulation, planning, and public administration formalize the first approach rather than the second, leaving public administrators who handle complex decisions in the position of practicing what few preach. For emphasis I run some risk of overstatement. True enough, the literature is well aware of limits on man's capacities and of the inevitability that policies will be approached in some such style as the second. But attempts to formalize rational policy formulation—to lay out explicitly the necessary steps in the process—usually describe the first approach and not the second.¹

The common tendency to describe policy formulation even for complex problems as though it followed the first approach has been strengthened by the attention given to, and successes enjoyed by, operations research, statistical decision theory, and systems analysis. The hallmarks of these procedures, typical of the first approach, are clarity of objective, explicitness of evaluation, a high degree of comprehensiveness of overview, and, wherever possible, quantification of values for mathematical analysis. But these advanced procedures remain largely the appropriate techniques of relatively small-scale problem-solving where the total number of variables to be considered is small and value problems restricted. Charles Hitch, head of the Economics Division of RAND Corporation, one of the leading centers for application of these techniques, has written:

I would make the empirical generalization from my experience at RAND and elsewhere that operations research is the art of sub-optimizing, i.e. of solving some lower-level problems, and that difficulties increase and our special competence diminishes by an order of magnitude with every level of decision making we attempt to ascend. The sort of simple explicit model which operations researchers are so proficient in using can certainly reflect most of the significant factors influencing traffic control on the George Washington

¹ James G. March and Herbert A. Simon similarly characterize the literature. They also take some important steps, as have Simon's recent articles, to describe a less heroic model of policy-making. See *Organizations*, John Wiley & Sons, 1958, p. 137.

Bridge, but the proportion of the relevant reality which we can represent by any such model or models in studying, say, a major foreign-policy decision, appears to be almost trivial.²

Accordingly, I propose in this paper to clarify and formalize the second method, much neglected in the literature. This might be described as the method of *successive limited comparisons*. I will contrast it with the first approach, which might be called the rational-comprehensive method.³ More impressionistically and briefly—and therefore generally used in this article—they could be characterized as the branch method and root method, the former continually building out from the current situation, step-by-step and by small degrees; the latter starting from fundamentals anew each time, building on the past only as experience is embodied in a theory, and always prepared to start completely from the ground up.

Let us put the characteristics of the two methods side by side in simplest terms.

Rational-Comprehensive (Root)

- 1a. Clarification of values or objectives distinct from and usually prerequisite to empirical analysis of alternative policies.
- 2a. Policy-formulation is therefore approached through means-end analysis: first the ends are isolated, then the means to achieve them are sought.

Successive Limited Comparisons (Branch)

- 1b. Selection of value goals and empirical analysis of the needed action are not distinct from one another but are closely intertwined.
- 2b. Since means and ends are not distinct, means-end analysis is often inappropriate or limited.

² "Operations research and national planning—a dissent", *Operations Research*, Vol. 5, p. 718 (October 1957). Hitch's dissent is from particular points made in the article to which his paper is a reply; his claim that operations research is for low-level problems is widely accepted.

For examples, of the kind of problems to which operations research is applied, see C. W. Churchman, R. L. Ackoff and E. L. Arnoff, *Introduction to Operations Research*, John Wiley & Sons, 1957; and J. F. McCloskey and J. M. Copping (eds.), *Operations Research for Management*, Vol. II, The Johns Hopkins Press, 1956.

³ I am assuming that administrators often make policy and advise in the making of policy and am treating decision-making and policy-making as synonymous for purposes of this paper.

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| <p>3a. The test of a "good" policy is that it can be shown to be the most appropriate means to desired ends.</p> <p>4a. Analysis is comprehensive; every important relevant factor is taken into account.</p> <p>5a. Theory is often heavily relied upon.</p> | <p>3b. The test of a "good" policy is typically that various analysts find themselves directly agreeing on a policy (without their agreeing that it is the most appropriate means to an agreed objective).</p> <p>4b. Analysis is drastically limited:
 (i) Important possible outcomes are neglected.
 (ii) Important alternative potential policies are neglected.
 (iii) Important affected values are neglected.</p> <p>5b. A succession of comparisons greatly reduces or eliminates reliance on theory.</p> |
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Assuming that the root method is familiar and understandable, we proceed directly to clarification of its alternative by contrast. In explaining the second, we shall be describing how most administrators do in fact approach complex questions, for the root method, the "best" way as a blueprint or model, is in fact not workable for complex policy questions, and administrators are forced to use the method of successive limited comparisons.

INTERTWINING EVALUATION AND EMPIRICAL ANALYSIS (1b)

The quickest way to understand how values are handled in the method of successive limited comparisons is to see how the root method often breaks down in *its* handling of values or objectives. The idea that values should be clarified, and in advance of the examination of alternative policies, is appealing. But what happens when we attempt it for complex social problems? The first difficulty is that on many critical values or objectives, citizens disagree, congressmen disagree, and public administrators disagree. Even where a fairly specific objective is prescribed for the administrator, there remains considerable room for disagreement on sub-objectives. Consider, for example, the conflict with respect to locating public housing, described in Meyerson and Banfield's study of the Chicago

Housing Authority⁴—disagreement which occurred despite the clear objective of providing a certain number of public housing units in the city. Similarly conflicting are objectives in highway location, traffic control, minimum wage administration, development of tourist facilities in national parks, or insect control.

Administrators cannot escape these conflicts by ascertaining the majority's preference, for preferences have not been registered on most issues; indeed, there often *are* no preferences in the absence of public discussion sufficient to bring an issue to the attention of the electorate. Furthermore, there is a question of whether intensity of feeling should be considered as well as the number of persons preferring each alternative. By the impossibility of doing otherwise, administrators often are reduced to deciding policy without clarifying objectives first.

Even when an administrator resolves to follow his own values as a criterion for decisions, he often will not know how to rank them when they conflict with one another, as they usually do. Suppose, for example, that an administrator must relocate tenants living in tenements scheduled for destruction. One objective is to empty the buildings fairly promptly, another is to find suitable accommodation for persons displaced, another is to avoid friction with residents in other areas in which a large influx would be unwelcome, another is to deal with all concerned through persuasion if possible, and so on.

How does one state even to himself the relative importance of these partially conflicting values? A simple ranking of them is not enough; one needs ideally to know how much of one value is worth sacrificing for some of another value. The answer is that typically the administrator chooses—and must choose—directly among policies in which these values are combined in different ways. He cannot first clarify his values and then choose among policies.

A more subtle third point underlies both the first two. Social objectives do not always have the same relative values. One objective may be highly prized in one circumstance, another in another circumstance. If, for example, an administrator values highly both the dispatch with which his agency can carry through its projects *and* good public relations, it matters little which of the two possibly conflicting values he favors in some abstract

⁴ Martin Meyerson and Edward C. Banfield, *Politics, Planning and the Public Interest*, The Free Press, 1955.

or general sense. Policy questions arise in forms which put to administrators such a question as: Given the degree to which we are or are not already achieving the values of dispatch and the values of good public relations, is it worth sacrificing a little speed for a happier clientele, or is it better to risk offending the clientele so that we can get on with our work? The answer to such a question varies with circumstances.

The value problem is, as the example shows, always a problem of adjustments at a margin. But there is no practicable way to state marginal objectives or values except in terms of particular policies. That one value is preferred to another in one decision situation does not mean that it will be preferred in another decision situation in which it can be had only at great sacrifice of another value. Attempts to rank or order values in general and abstract terms so that they do not shift from decision to decision end up by ignoring the relevant marginal preferences. The significance of this third point thus goes very far. Even if all administrators had at hand an agreed set of values, objectives, and constraints, and an agreed ranking of these values, objectives, and constraints, their marginal values in actual choice situations would be impossible to formulate.

Unable consequently to formulate the relevant values first and then choose among policies to achieve them, administrators must choose directly among alternative policies that offer different marginal combinations of values. Somewhat paradoxically, the only practicable way to disclose one's relevant marginal values even to oneself is to describe the policy one chooses to achieve them. Except roughly and vaguely, I know of no way to describe—or even to understand—what my relative evaluations are for, say, freedom and security, speed and accuracy in governmental decisions, or low taxes and better schools than to describe my preferences among specific policy choices that might be made between the alternatives in each of the pairs.

In summary, two aspects of the process by which values are actually handled can be distinguished. The first is clear: evaluation and empirical analysis are intertwined; that is, one chooses among values and among policies at one and the same time. Put a little more elaborately, one simultaneously chooses a policy to attain certain objectives and chooses the objectives themselves. The second aspect is related but distinct: the administrator focuses his attention on marginal or incremental values. Whether he is aware of it or not, he does not find general formulations of

objectives very helpful and in fact makes specific marginal or incremental comparisons. Two policies, X and Y, confront him. Both promise the same degree of attainment of objectives *a*, *b*, *c*, *d*, and *e*. But X promises him somewhat more of *f* than does Y, while Y promises him somewhat more of *g* than does X. In choosing between them, he is in fact offered the alternative of a marginal or incremental amount of *f* at the expense of a marginal or incremental amount of *g*. The only values that are relevant to his choice are these increments by which the two policies differ; and, when he finally chooses between the two marginal values, he does so by making a choice between policies.⁵

As to whether the attempt to clarify objectives in advance of policy selection is more or less rational than the close intertwining of marginal evaluation and empirical analysis, the principal difference established is that for complex problems the first is impossible and irrelevant, and the second is both possible and relevant. The second is possible because the administrator need not try to analyze any values except the values by which alternative policies differ and need not be concerned with them except as they differ marginally. His need for information on values or objectives is drastically reduced as compared with the root method; and his capacity for grasping, comprehending, and relating values to one another is not strained beyond the breaking point.

RELATIONS BETWEEN MEANS AND ENDS (2b)

Decision-making is ordinarily formalized as a means-ends relationship: means are conceived to be evaluated and chosen in the light of ends finally selected independently of and prior to the choice of means. This is the means-ends relationship of the root method. But it follows from all that has just been said that such a means-ends relationship is possible only to the extent that values are agreed upon, are reconcilable, and are stable at the margin. Typically, therefore, such a means-ends relationship is absent from the branch method, where means and ends are simultaneously chosen.

Yet any departure from the means-ends relationship of the root method

⁵ The line of argument is, of course, an extension of the theory of market choice, especially the theory of consumer choice, to public policy choices.

will strike some readers as inconceivable. For it will appear to them that only in such a relationship is it possible to determine whether one policy choice is better or worse than another. How can an administrator know whether he has made a wise or foolish decision if he is without prior values or objectives by which to judge his decisions? The answer to this question calls up the third distinctive difference between root and branch methods: how to decide the best policy.

THE TEST OF "GOOD" POLICY (3b)

In the root method, a decision is "correct", "good", or "rational" if it can be shown to attain some specified objective, where the objective can be specified without simply describing the decision itself. Where objectives are defined only through the marginal or incremental approach to values described above, it is still sometimes possible to test whether a policy does in fact attain the desired objectives; but a precise statement of the objectives takes the form of a description of the policy chosen or some alternative to it. To show that a policy is mistaken one cannot offer an abstract argument that important objectives are not achieved; one must instead argue that another policy is more to be preferred.

So far, the departure from customary ways of looking at problem-solving is not troublesome, for many administrators, will be quick to agree that the most effective discussion of the correctness of policy does take the form of comparison with other policies that might have been chosen. But what of the situation in which administrators cannot agree on values or objectives, either abstractly or in marginal terms? What then is the test of "good" policy? For the root method, there is no test. Agreement on objectives failing, there is no standard of "correctness". For the method of successive limited comparisons, the test is agreement on policy itself, which remains possible even when agreement on values is not.

It has been suggested that continuing agreement in Congress on the desirability of extending old-age insurance stems from liberal desires to strengthen the welfare programs of the federal government and from conservative desires to reduce union demands for private pension plans. If so, this is an excellent demonstration of the ease with which individuals of different ideologies often can agree on concrete policy. Labor mediators report a similar phenomenon: the contestants cannot agree on criteria for

settling their disputes but can agree on specific proposals. Similarly, when one administrator's objective turns out to be another's means, they often can agree on policy.

Agreement on policy thus becomes the only practicable test of the policy's correctness. And for one administrator to seek to win the other over to agreement on ends as well would accomplish nothing and create quite unnecessary controversy.

If agreement directly on policy as a test for "best" policy seems a poor substitute for testing the policy against its objectives, it ought to be remembered that objectives themselves have no ultimate validity other than they are agreed upon. Hence agreement is the test of "best" policy in both methods. But where the root method requires agreement on what elements in the decision constitute objectives and on which of these objectives should be sought, the branch method falls back on agreement wherever it can be found.

In an important sense, therefore, it is not irrational for an administrator to defend a policy as good without being able to specify what it is good for.

NON-COMPREHENSIVE ANALYSIS (4b)

Ideally, rational-comprehensive analysis leaves out nothing important. But it is impossible to take everything important into consideration unless "important" is so narrowly defined that analysis is in fact quite limited. Limits on human intellectual capacities and on available information set definite limits to man's capacity to be comprehensive. In actual fact, therefore, no one can practice the rational-comprehensive method for really complex problems, and every administrator faced with a sufficiently complex problem must find ways drastically to simplify.

An administrator assisting in the formulation of agricultural economic policy cannot in the first place be competent on all possible policies. He cannot even comprehend one policy entirely. In planning a soil bank program, he cannot successfully anticipate the impact of higher or lower farm income on, say, urbanization—the possible consequent loosening of family ties, possible consequent eventual need for revisions in social security and further implications for tax problems arising out of new federal responsibilities for social security and municipal responsibilities for urban services. Nor, to follow another line of repercussions, can he

work through the soil bank program's effects on prices for agricultural products in foreign markets and consequent implications for foreign markets and consequent implications for foreign relations, including those arising out of economic rivalry between the United States and the U.S.S.R.

In the method of successive limited comparisons, simplification is systematically achieved in two principal ways. First, it is achieved through limitation of policy comparisons to those policies that differ in relatively small degree from policies presently in effect. Such a limitation immediately reduces the number of alternatives to be investigated and also drastically simplifies the character of the investigation of each. For it is not necessary to undertake fundamental inquiry into an alternative and its consequences; it is necessary only to study those respects in which the proposed alternative and its consequences differ from the status quo. The empirical comparison of marginal differences among alternative policies that differ only marginally is, of course, a counterpart to the incremental or marginal comparison of values discussed above.⁶

Relevance as Well as Realism

It is a matter of common observation that in Western democracies public administrators and policy analysts in general do largely limit their analyses to incremental or marginal differences in policies that are chosen to differ only incrementally. They do not do so, however, solely because they desperately need some way to simplify their problems; they also do so in order to be relevant. Democracies change their policies almost entirely through incremental adjustments. Policy does not move in leaps and bounds.

The incremental character of political change in the United States has often been remarked. The two major political parties agree on fundamentals; they offer alternative policies to the voters only on relatively small points of difference. Both parties favor full employment, but they define it somewhat differently; both favor the development of water-power resources, but in slightly different ways; and both favor unemployment

⁶ A more precise definition of incremental policies and a discussion of whether a change that appears "small" to one observer might be seen differently by another is to be found in my "Policy Analysis", *American Economic Review*, Vol. 48, p. 298 (June 1958).

compensation, but not the same level of benefits. Similarly, shifts of policy within a party take place largely through a series of relatively small changes, as can be seen in their only gradual acceptance of the idea of governmental responsibility for support of the unemployed, a change in party positions beginning in the early thirties and culminating in a sense in the Employment Act of 1946.

Party behavior is in turn rooted in public attitudes, and political theorists cannot conceive of democracy's surviving in the United States in the absence of fundamental agreement on potentially disruptive issues, with consequent limitation of policy debates to relatively small differences in policy.

Since the policies ignored by the administrator are politically impossible and so irrelevant, the simplification of analysis achieved by concentrating on policies that differ only incrementally is not a capricious kind of simplification. In addition, it can be argued that, given the limits on knowledge within which policy-makers are confined, simplifying by limiting the focus to small variations from present policy makes the most of available knowledge. Because policies being considered are like present and past policies, the administrator can obtain information and claim some insight. Non-incremental policy proposals are therefore typically not only politically irrelevant but also unpredictable in their consequences.

The second method of simplification of analysis is the practice of ignoring important possible consequences of possible policies, as well as the values attached to the neglected consequences. If this appears to disclose a shocking shortcoming of successive limited comparisons, it can be replied that, even if the exclusions are random, policies may nevertheless be more intelligently formulated than through futile attempts to achieve a comprehensiveness beyond human capacity. Actually, however, the exclusions, seeming arbitrary or random from one point of view, need be neither.

Achieving a Degree of Comprehensiveness

Suppose that each value neglected by one policy-making agency were a major concern of at least one other agency. In that case, a helpful division of labor would be achieved, and no agency need find its task beyond its capacities. The shortcomings of such a system would be that one agency

might destroy a value either before another agency could be activated to safeguard it or in spite of another agency's efforts. But the possibility that important values may be lost is present in any form of organization, even where agencies attempt to comprehend in planning more than is humanly possible.

The virtue of such a hypothetical division of labor is that every important interest or value has its watchdog. And these watchdogs can protect the interests in their jurisdiction in two quite different ways: first, by redressing damages done by other agencies; and second, by anticipating and heading off injury before it occurs.

In a society like that of the United States in which individuals are free to combine to pursue almost any possible common interest they might have and in which government agencies are sensitive to the pressures of these groups, the system described is approximated. Almost every interest has its watchdog. Without claiming that every interest has a sufficiently powerful watchdog, it can be argued that our system often can assure a more comprehensive regard for the values of the whole society than any attempt at intellectual comprehensiveness.

In the United States, for example, no part of government attempts a comprehensive overview of policy on income distribution. A policy nevertheless evolves, and one responding to a wide variety of interests. A process of mutual adjustment among farm groups, labor unions, municipalities and school boards, tax authorities, and government agencies with responsibilities in the fields of housing, health, highways, national parks, fire, and police accomplishes a distribution of income in which particular income problems neglected at one point in the decision processes become central at another point.

Mutual adjustment is more pervasive than the explicit forms it takes in negotiation between groups; it persists through the mutual impacts of groups upon each other even where they are not in communication. For all the imperfections and latent dangers in this ubiquitous process of mutual adjustment, it will often accomplish an adaptation of policies to a wider range of interests than could be done by one group centrally.

Note, too, how the incremental pattern of policy-making fits with the multiple pressure pattern. For when decisions are only incremental—closely related to known policies, it is easier for one group to anticipate the kind

of moves another might make and easier too for it to make correction for injury already accomplished.⁷

Even partisanship and narrowness, to use pejorative terms, will sometimes be assets to rational decision-making, for they can doubly insure that what one agency neglects, another will not; they specialize personnel to distinct points of view. The claim is valid that effective rational coordination of the federal administration, if possible to achieve at all, would require an agreed set of values⁸—if “rational” is defined as the practice of the root method of decision-making. But a high degree of administrative coordination occurs as each agency adjusts its policies to the concerns of the other agencies in the process of fragmented decision-making I have just described.

For all the apparent shortcomings of the incremental approach to policy alternatives with its arbitrary exclusion coupled with fragmentation, when compared to the root method, the branch method often looks far superior. In the root method, the inevitable exclusion of factors is accidental, unsystematic, and not defensible by an argument so far developed, while in the branch method the exclusions are deliberate, systematic and defensible. Ideally, of course, the root method does not exclude; in practice it must.

Nor does the branch method necessarily neglect long-run considerations and objectives. It is clear that important values must be omitted in considering policy, and sometimes the only way long-run objectives can be given adequate attention is through the neglect of short-run considerations. But the values omitted can be either long-run or short-run.

SUCCESSION OF COMPARISONS (5b)

The final distinctive element in the branch method is that the comparisons, together with the policy choice, proceed in a chronological series. Policy is not made once and for all; it is made and re-made endlessly. Policy-making is a process of successive approximation to some desired

⁷ The link between the practice of the method of successive limited comparisons and mutual adjustment of interests in a highly fragmented decision-making process adds a new facet to pluralist theories of government and administration.

⁸ Herbert Simon, Donald W. Smithburg, and Victor A. Thompson, *Public Administration*, Alfred A. Knopf, 1950, p. 434.

objectives in which what is desired itself continues to change under reconsideration.

Making policy is at best a very rough process. Neither social scientists, nor politicians, nor public administrators yet know enough about the social world to avoid repeated error in predicting the consequences of policy moves. A wise policy-maker consequently expects that his policies will achieve only part of what he hopes and at the same time will produce unanticipated consequences he would have preferred to avoid. If he proceeds through a *succession* of incremental changes, he avoids serious lasting mistakes in several ways.

In the first place, past sequences of policy steps have given him knowledge about the probable consequences of further similar steps. Second, he need not attempt big jumps toward his goals that would require predictions beyond his or anyone else's knowledge, because he never expects his policy to be a final resolution of a problem. His decision is only one step, one that if successful can quickly be followed by another. Third, he is in effect able to test his previous predictions as he moves on to each further step. Lastly, he often can remedy a past error fairly quickly—more quickly than if policy proceeded through more distinct steps widely spaced in time.

Compare this comparative analysis of incremental changes with the aspiration to employ theory in the root method. Man cannot think without classifying, without subsuming one experience under a more general category of experiences. The attempt to push categorization as far as possible and to find general propositions which can be applied to specific situations is what I refer to with the word "theory". Where root analysis often leans heavily on theory in this sense, the branch method does not.

The assumption of root analysts is that theory is the most systematic and economical way to bring relevant knowledge to bear on a specific problem. Granting the assumption, an unhappy fact is that we do not have adequate theory to apply to problems in any policy area, although theory is more adequate in some areas—monetary policy, for example—than in others. Comparative analysis, as in the branch method, is sometimes a systematic alternative to theory.

Suppose an administrator must choose among a small group of policies that differ only incrementally from each other and from present policy. He might aspire to "understand" each of the alternatives—for example,

to know all the consequences of each aspect of each policy. If so, he would indeed require theory. In fact, however, he would usually decide, that *for policy-making purposes*, he need know, as explained above, only the consequences of each of those aspects of the policies in which they differed from one another. For this much more modest aspiration, he requires no theory (although it might be helpful, if available), for he can proceed to isolate probable differences by examining the differences in consequences associated with past differences in policies, a feasible program because he can take his observations from a long sequence of incremental changes.

For example, without a more comprehensive social theory about juvenile delinquency than scholars have yet produced, one cannot possibly understand the ways in which a variety of public policies—say on education, housing, recreation, employment, race relations, and policing—might encourage or discourage delinquency. And one needs such an understanding if he undertakes the comprehensive overview of the problem prescribed in the models of the root method. If, however, one merely wants to mobilize knowledge sufficient to assist in a choice among a small group of similar policies—alternative policies on juvenile court procedures, for example—he can do so by comparative analysis of the results of similar past policy moves.

THEORISTS AND PRACTITIONERS

This difference explains—in some cases at least—why the administrator often feels that the outside expert or academic problem-solver is sometimes not helpful and why they in turn often urge more theory on him. And it explains why an administrator often feels more confident when “flying by the seat of his pants” than when following the advice of theorists. Theorists often ask the administrator to go the long way round to the solution of his problems, in effect ask him to follow the best canons of the scientific method, when the administrator knows that the best available theory will work less well than more modest incremental comparisons. Theorists do not realize that the administrator is often in fact practicing a systematic method. It would be foolish to push this explanation too far, for sometimes practical decision-makers are pursuing neither a theoretical approach nor successive comparisons, nor any other systematic method.

It may be worth emphasizing that theory is sometimes of extremely

limited helpfulness in policy-making for at least two rather different reasons. It is greedy for facts; it can be constructed only through a great collection of observations. And it is typically insufficiently precise for application to a policy process that moves through small changes. In contrast, the comparative method both economizes on the need for facts and directs the analyst's attention to just those facts that are relevant to the fine choices faced by the decision-maker.

With respect to precision of theory, economic theory serves as an example. It predicts that an economy without money or prices would in certain specified ways misallocate resources, but this finding pertains to an alternative far removed from the kind of policies on which administrators need help. On the other hand, it is not precise enough to predict the consequences of policies restricting business mergers, and this is the kind of issue on which the administrators need help. Only in relatively restricted areas does economic theory achieve sufficient precision to go far in resolving policy questions; its helpfulness in policy-making is always so limited that it requires supplementation through comparative analysis.

SUCCESSIVE COMPARISON AS A SYSTEM

Successive limited comparisons is, then, indeed a method or system; it is not a failure of method for which administrators ought to apologize. None the less, its imperfections, which have not been explored in this paper, are many. For example, the method is without a built-in safeguard for all relevant values, and it also may lead the decision-maker to overlook excellent policies for no other reason than that they are not suggested by the chain of successive policy steps leading up to the present. Hence, it ought to be said that under this method, as well as under some of the most sophisticated variants of the root method—operations research, for example—policies will continue to be as foolish as they are wise.

Why then bother to describe the method in all the above detail? Because it is in fact a common method of policy formulation, and is, for complex problems, the principal reliance of administrators as well as of other policy analysts.⁹ And because it will be superior to any other decision-making

⁹ Elsewhere I have explored this same method of policy formulation as practiced by academic analysts of policy ("Policy analysis", *American Economic Review*, Vol. 48, p. 298 [June, 1958]). Although it has been here presented as a method for public administrators, it is no less necessary to analysts more removed from

method available for complex problems in many circumstances, certainly superior to a futile attempt at superhuman comprehensiveness. The reaction of the public administrator to the exposition of method doubtless will be less a discovery of a new method than a better acquaintance with an old. But by becoming more conscious of their practice of this method, administrators might practice it with more skill and know when to extend or constrict its use. (That they sometimes practice it effectively and sometimes not may explain the extremes of opinion on "muddling through", which is both praised as a highly sophisticated form of problem-solving and denounced as no method at all. For I suspect that in so far as there is a system in what is known as "muddling through", this method is it.)

One of the noteworthy incidental consequences of clarification of the method is the light it throws on the suspicion an administrator sometimes entertains that a consultant or adviser is not speaking relevantly and responsibly when in fact by all ordinary objective evidence he is. The trouble lies in the fact that most of us approach policy problems within a framework given by our view of a chain of successive policy choices made up to the present. One's thinking about appropriate policies with respect, say, to urban traffic control is greatly influenced by one's knowledge of the incremental steps taken up to the present. An administrator enjoys an intimate knowledge of his past sequences that "outsiders" do not share, and his thinking and that of the "outsider" will consequently be different in ways that may puzzle both. Both may appear to be talking intelligently, yet each may find the other unsatisfactory. The relevance of the policy chain of succession is even more clear when an American tries to discuss, say, antitrust policy with a Swiss, for the chains of policy in the two countries are strikingly different and the two individuals consequently have organized their knowledge in quite different ways.

immediate policy questions, despite their tendencies to describe their own analytical efforts as though they were the rational-comprehensive method with an especially heavy use of theory. Similarly, this same method is inevitably resorted to in personal problem-solving, where means and ends are sometimes impossible to separate, where aspirations or objectives undergo constant development, and where drastic simplification of the complexity of the real world is urgent if problems are to be solved in the time that can be given to them. To an economist accustomed to dealing with the marginal or incremental concept in market processes, the central idea in the method is that both evaluation and empirical analysis are incremental. Accordingly I have referred to the method elsewhere as "the incremental method".

If this phenomenon is a barrier to communication, an understanding of it promises an enrichment of intellectual interaction in policy formulation. Once the source of difference is understood, it will sometimes be stimulating for an administrator to seek out a policy analyst whose recent experience is with a policy chain different from his own.

This raises again a question only briefly discussed above on the merits of like-mindedness among government administrators. While much of organization theory argues the virtues of common values and agreed organizational objectives, for complex problems in which the root method is inapplicable, agencies will want among their own personnel two types of diversification: administrators whose thinking is organized by reference to policy chains other than those familiar to most members of the organization and, even more commonly, administrators whose professional or personal values or interests create diversity of view (perhaps coming from different specialties, social classes, geographical areas) so that, even within a single agency, decision-making can be fragmented and parts of the agency can serve as watchdogs for other parts.

Muddling Through—"Science" or Inertia?

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IN a much-quoted article published in the *Public Administration Review* in 1959, Charles E. Lindblom put forth a brilliant justification of policy and decision making through "muddling through," that is through incremental change aimed at arriving at agreed-upon policies which are closely based on past experience.¹ As developed and expanded in other articles,² he presents a well-

considered theory fully geared to the actual experience of practicing administrators and well designed to reinforce their actual behavior patterns by giving them the blessings of scientific approval.

Indeed, there can be no doubt that in comparison with the "rational-comprehensive" models of decision making commonly accepted in management sciences and their related disciplines, Lindblom's approach constitutes a very valuable contribution. It is more closely tied to reality, more sophisticated in theory, and more adjusted to human nature. Nevertheless, the question must be asked whether the favorable evaluation of "incremental change" and "muddling through" (in the sense of policy making through successive limited comparisons) does not, in some respects, constitute a dangerous overreaction.

More specifically, it is necessary to reexamine the "Science of 'Muddling Through'" thesis both in respect to its inherent validity and its potential impact on actual policy mak-

* The article was written while the author was a Fellow at the Center for Advanced Study in the Behavioral Sciences, Stanford, California, 1962-63.

¹ See Charles E. Lindblom, "The Science of 'Muddling Through'" 19 *Public Administration Review*, 79-88 (Spring, 1959). Unless otherwise noted, quotations from Lindblom included in the present paper are taken from that article.

² See especially Charles E. Lindblom, "Policy Analysis", 48 *American Economic Review*, 298-312 (June 1958), and Albert O. Hirschman and Charles E. Lindblom, "Economic Development, Research and Development, Policy Making: Some Converging Views", 7 *Behavioral Science*, 211-222 (April 1962). Both these papers are more careful in their conclusions than "The Science of 'Muddling Through'", both recognizing some limitations inherent in the method of "change through incremental comparison" and its locality-bound assumptions. In a recent book Lindblom further develops his ideas, but without changing

this basic rationale. See David Braybrooke and Charles E. Lindblom, *A Strategy of Decision* (Free Press of Glencoe, 1953)

ing and decision making practices. The possibilities for constructing a mixed optimum model of policy making, superior to both the "muddling through" and "rational-comprehensive" ones also requires attention, especially because of the neglect of such a possibility in the professional literature.

Conditions Limiting the Validity of the "Science of 'Muddling Through' " Thesis

Conceding the many penetrating insights in Lindblom's paper, there may nevertheless be a critical examination of two main elements of the "Science of 'Muddling Through'" thesis, namely the incremental nature of desired changes in policy, and agreement on policy as the criterion of its quality.

The basic strategy of incremental change, as stated by Lindblom, is one of maximizing security in making change. All reliable knowledge being based on the past, the only way to proceed without risk is by continuing in the same direction, limiting consideration of alternative policies "to those policies that differ in relatively small degrees from policies presently in effect."³ This is sound advice, provided certain conditions pertain—a requirement not adequately faced by Lindblom.

Unless three closely interrelated conditions are concurrently met, incremental change by "successive limited comparison" is not an adequate method for policy making. *These three essential conditions are: (1) the results of present policies must be in the main satisfactory (to the policy makers and the social strata on which they depend), so that marginal changes are sufficient for achieving an acceptable rate of improvements in policy-results; (2) there must be a high degree of continuity in the nature of the problems; (3) there must be a high degree of continuity in the available means for dealing with problems.*

When the results of past policies are undesirable, it is often preferable to take the risks involved in radical new departures. For instance, in newly developing states aspiring to accelerated socio-economic development, the policies followed by the former colonial policy makers clearly do not constitute an acceptable basis to be followed with only incremental

change. Similarly, in modern countries when changes in values make formerly accepted policy-results unacceptable, radical departures in policy are required despite the risk, for instance in respect to the segregation problem in the United States.

When there are no past policies in respect to a discrete policy-issue, incremental change is in fact impossible. For instance, many of the problems faced during the New Deal had novel characteristics making most policies (other than doing nothing) a radical departure from the past.

Changes in knowledge—technological and behavioral—put at the disposal of policy makers new means of action, which, unless ignored, lead to radically new policies. The best illustrations are provided in military technology, where "incremental change" results in the often noted tendency of a nation's armed forces to be excellently prepared for the last war. Similar illustrations can be cited in most spheres of social action where innovations in knowledge take place, such as medicine (policy making in regard to smoking) and education (utilization of programmed teaching-machines).

The three conditions essential to the validity of the "muddling through" thesis are most likely to prevail where there is a high degree of social stability. Under conditions of stability, routine is often the best policy, and, change being at a slow rate, incremental policy-change is often optimal. But, even in the most stable societies, many of today's qualitatively most important problems are tied up with high speed changes in levels of aspirations, the nature of issues, and the available means of action, and require therefore a policy making method different from "muddling through."⁴

A similar conclusion may be reached from examination of the reliance on agreement on policy as the criterion of the policy's quality. Under conditions of stability, when all relevant parties have a more or less clear image of the expected results of a certain policy, with a high correlation of subjective and ob-

³ In his "Policy Analysis", *ibid.*, Lindblom explicitly recognizes that his analysis applies to the United States and other "stable, well-established, deeply rooted democracies" (p. 30). But he fails to pursue this limitation and does not realize that there is today no country, including the United States, "stable" enough to fit his analysis.

⁴ Lindblom, "The Science of 'Muddling Through'", p. 84.

jective probability, a policy agreed upon will ordinarily involve little risk of catastrophe; also, under such conditions, it is in fact much easier to agree on a discrete policy than on abstract goals. In contrast, under conditions of high-rate change, ignorance can produce agreement upon a catastrophic policy; under such conditions, moreover, it is often much easier to agree on abstract or operational goals (e.g., "raising the standard of living," "increase net per-capita product by 2% annually") than on policies, there being no background of shared experience to serve as a basis for consensus on policy. Lest the reader reach the conclusion that these comments apply only to new development countries, let him consider military policy, where decisions agreed upon by experienced military personnel were rejected, following their dissection by McNamara's "whiz kids."

The formula that "agreement" equals "high quality" is the more dangerous because of its appeal to a value highly regarded in democratic ideology, as attested to by the abundance of "administration by consent" literature. It is, therefore, highly necessary to emphasize that agreement should follow examination of the consequences of policy and not be substituted for it, in all save the most familiar and stable policy areas.

The conclusion is inescapable, therefore, that the "Science of 'Muddling Through'" thesis has limited validity. It may be more valid for a larger number of policy areas in a relatively stable society, such as the United States, than in countries engaged in high-rate directed social change. But even in the United States many of the most critical policy problems involve factors changing at a high rate of speed.

The Impact of "Muddling Through" on Actual Policy Making

Although Lindblom's thesis includes a number of reservations, these are insufficient to alter its main impact as an ideological reinforcement of the pro-inertia and anti-innovation forces prevalent in all human organizations, administrative and policy making.⁵ The

actual tendency of most organizations is to limit the search for alternatives to the minimum; there is little danger in real life then, that administration will become bogged down in exhaustive search for all alternatives and full enumeration of consequences, in order to achieve "rational-comprehensive" policy making. The "rational-comprehensive" model has at least the advantage of stimulating administrators to get a little outside their regular routine, while Lindblom's model justifies a policy of "no effort."

Taken together, the limited validity of the "muddling through" thesis and its inertia-reinforcing implications constitute a very serious weakness. This criterion in no way diminishes Lindblom's pioneering role in pointing out the shortcomings of the "rational-comprehensive" policy making model. This may well prove to be one of his most important contributions, since the counter-model of "muddling through" is itself open to serious doubts. A choice between these two models would be difficult, but, luckily, may be avoided through reliance upon a third model for public policy making.

A Normative Optimum Model for Policy Making

The bases for an optimum model for policy making are the following assumptions: (1) Optimum policy making involves an effort to increase rationality-content, through more explication of goals, extensive search for new alternatives, conscious attempts to elaborate expectations, with an explicit cut off point, and some formulation of decision-criteria. (2) Extrarational processes play a significant role in optimal policy making on complex issues. This is not only unavoidable because of lack of resources and capacity for complete rationality, but in fact, makes a positive contribution to better policy making. Intuitive judgment, holistic impressions derived from immersion in a situation, and creative invention of new alternatives are illustrations of extrarational phases of optimal policy making. The importance of such processes is not only ac-

⁵ Even more dangerous is acceptance of the "incremental change" attitude by social scientists, as it reduces their functions as an innovating social factor. By limiting their suggestions to incremental change, the social scientist also significantly reduces his utility

to policy makers, the latter being well aware of incremental alternatives and looking to the social scientist for new ideas. See Yehezkel Dror, "The Barriers Facing Policy Science," *7 The American Behavioral Scientist*, 3:7 (January 1964), esp. pp. 4-5.

knowledge by all experienced policy makers but also by some modern research in psychology, for instance the works of Carl Rogers and Michael Polanyi discussing "experience" and "tacit knowledge" as sources of insight and understanding. (3) These extrarational policy making phases can be improved by various means, such as case discussions, sensitivity sessions and "brain storming." Similarly, the rational policy making phases can be improved, for instance, through increasing the input (especially time), increasing the knowledge and qualifications of policy-practitioners, and by setting up special "think" units for the improvement of conceptual analytical tools. (4) Actual policy making in modern states has a tendency to follow precedents, "incremental change," "muddling through," inertia and routine. Compared with the rate of change in the problems faced by policy, in the levels of aspiration, in the aspiration, in the available alternatives, and in knowledge on the policy making process itself (such as decision-techniques and group dynamics)—most contemporary policy making practices lag behind. This can and should be improved.

A reprocessing of both the "comprehensive-rationality" and the "successive limited comparison" models in light of these assumptions may result in a normative-optimum model for policy making which includes the following main features:⁶

- Some clarification of values, objectives, and decision-criteria.
- Identification of alternatives, accompanied by a conscious effort to consider new alternatives (through survey of comparative literature, experience and available theories) and to stimulate creative alternative innovation.
- Preliminary estimation of expected pay-off of various alternatives and decisions whether a strategy of minimal risk or a strategy of innovation is preferable.
- If the first, the "successive limited comparison" model should be followed. If the latter, the next element is establishment of a cut-off for considering possible results of alternative policies and identification of main expected results, relying on available knowledge and intuition.
- The test of the optimum policy is that it is agreed upon by the various analysts after full and frank discussion of stages 1 to 4.
- A conscious effort is made to decide whether the

problem is important enough to make analysis more comprehensive.

- Theory and experience, rationality and extrarationality all are relied upon, the composition of the mix depending upon their availability and the nature of the problem.
- Explicit arrangements are made to improve the quality of policy making through systematic learning from experience, stimulation of initiative and creativity, staff development and encouragement of intellectual effort.

The Need Redefined

To state the problem of policy making as a choice between the "rational-comprehensive" and the "successive limited comparison" methods is misleading and dangerous. It is misleading because other policy making models can be devised. It is dangerous because it leads either to an effort to achieve the impossible or to an encouragement of inertia and a continuation of the status quo.

What is needed is a model which fits reality while being directed toward its improvement, and which can in fact be applied to policy making while motivating a maximum effort to arrive at better policies. By all the criteria, the model presented in "The Science of 'Muddling Through'" is inadequate, having limited validity, and constituting a barrier to the improvement of policy making. Its favorable acceptance, the result in part of its many merits, reflects the widespread disposition of administrators and students of public administration to accept the present as a guide to the future, and to regard contemporary practice as a norm for the future.

The broad acceptance of the "muddling through" thesis indicates that inertia and the tendency to "incremental change" are in fact widespread phenomena. This in itself serves to emphasize the need for models of policy making stressing the limits of such an approach and pointing out the needs and possibilities for better policy making. The normative optimum model presented above is only one variation of such a model, many others being feasible.

It is time for administrative science to enter into the area of inquiry, illuminated by Lindblom, and take up the challenge of providing models for policy making instead of devoting time and resources to managerial techniques, on the one hand, and "Grand Theories" on the other. In doing so, the search should be di-

⁶ For a detailed discussion of this model, see Yehezkel Dror, *Public Policymaking Reexamined* (Chandler Publishing Co., 1965). Part Two.

rected at constructing normative models for policy-making which combine realism and idealism. The models should be near enough to reality to serve as feasible guides for action; at the same time, the models should aspire to a higher quality of public policy making and

serve as a means to encourage the improvement of reality.⁷

⁷ For a good illustration of the approach needed in administrative science, see Charles J. Hitch and Roland N. McKean, *The Economics of Defense in the Nuclear Age* (Harvard University Press, 1961).

Contexts for Change and Strategy: A Reply

By CHARLES E. LINDBLOM

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THE two major objections that Yehezkel Dror brings against my model of decision making through "muddling through" are to be taken very seriously. I grant the first objection immediately; the method is unquestionably one of less than universal usefulness. I welcome any attempt to specify more precisely than I have done the circumstances in which "muddling through" is a defensible strategy for decision making.

I have, however, further refined and detailed this model, referring to it as the strategy of disjointed incrementalism, in *A Strategy of Decision*.¹ There it is argued that in a political democracy like that of the United States and probably also in a relatively stable dictatorship like that of the Soviet Union, public policy decisions are typically of the kind that call for the disjointed incremental approach. Typically, policy decisions meet Dror's three essential conditions for the application of my model: "(1) the results of present policies must be in the main satisfactory to the policy makers . . . ; (2) there must be a high degree of continuity in the nature of the problems; and (3) there must be a high degree of continuity in the available means for dealing with problems." Examples are policy making on taxation, social security, national security, reform of the judiciary, foreign aid, administrative organization, antitrust, auto traffic, zoning, and agriculture price supports, among others.

Dror's second charge—that the strategy "cannot but serve as an ideological reinforcement of the pro-inertia and anti-innovation forces prevalent in all human organizations"

—I am skeptical about. To be sure, it is not a charge that can be conclusively refuted; but Braybrooke and I discuss it at some length. Logically speaking, one can make changes in the social structure as rapidly through a sequence of incremental steps as through drastic—hence less frequent—alterations. Psychologically and sociologically speaking, decision makers can sometimes bring themselves to make changes easily and quickly only because the changes are incremental and are not fraught with great risk of error or of political conflict. American society, for example, is a rapidly changing society. One can argue that it can change as fast as it does because it usually avoids big controversies over big changes. To be sure, anyone who proposes to scrap the world and start over again sounds more radical than one who proposes to start from the here-and-now, making only a sequence of modest changes in the social structure. But through which of these styles of thought does the continuing transformation of American society receive its impetus?

For administrative decisions, I do not agree that "'the rational-comprehensive' model has at least the applied advantage of stimulating administrators to get a little outside their regular routine, while Lindblom's model justifies a policy of 'no effort'". Nothing would be more paralyzing to an administrator than to take seriously the prescription of the rational comprehensive model that he make no decision until he canvas all possible alternative ways of reaching well formulated goals, making sure that he has investigated every possible major consequence of each possible alternative. He can only "get a little outside" his regular routine by practicing some strategy that gives him some direction without asking for

¹ David Braybrooke and Charles E. Lindblom (*The Free Press of Glencoe*, 1963).

the impossible. And this is what the strategy does. For the particular component features of the strategy constitute in effect answers to questions that an administrator must face as to what to do in the face of a decision that cannot be comprehensively analyzed or mastered. They constitute an alternative to mere guesswork, intuition, or random analysis.

Nevertheless, I am quite willing to entertain the possibility that in some subtle respects the strategy has effects on the decision maker's attitudes that might dispose him either more or less favorably toward preservation of the status quo than would some alternative strategy for decision making. It is a question, pertinent to any strategy for decision making, that bears even more investigation than Braybrooke and I have given it.

Dror goes on to ask what kind of model of decision making we need. We need a number

of them, I would say, because there are a number of decision making methods and strategies in actual use, each of which needs clarification. We do not need "a model" as I understand Dror to suggest; and it is perhaps a defect of his own proposed model that, trying to encompass too many varied aspects of decision making, his propositions become simply a series of discrete observations and prescriptions on decision making which, taken as a group, are not tightly interlocked and which, taken one by one, are not each generally valid or acceptable. Moreover, Dror asks that a model: (a) "fits reality" while (b) "being directed toward its improvement" and (c) "which can in fact be applied to policy making" while (d) "motivating a maximum effort to arrive at better policies." I doubt whether any reader, on reflecting on these four criteria for a model, will accept them in combination.

Mixed-scanning: A "Third" Approach to Decision-making

Amitai Etzioni

IN THE concept of social decision-making, vague commitments of a normative and political nature are translated into specific commitments to one or more specific courses of action. Since decision-making includes an element of choice, it is the most deliberate and voluntaristic aspect of social conduct. As such, it raises the question: To what extent can social actors decide what their course will be, and to what extent are they compelled to follow a course set by forces beyond their control? Three conceptions of decision-making are considered here with assumptions that give varying weights to the conscious choice of the decision-makers.

Rationalistic models tend to posit a high degree of control over the decision-making situation on the part of the decision-maker. The incrementalist approach presents an alternative model, referred to as the art of "muddling through", which assumes much less command over the environment. Finally, the article outlines a third approach to social decision-making which, in combining elements of both earlier approaches, is neither as utopian in its assumptions as the first model nor as conservative as the second. For reasons which will become evident, this third approach is referred to as mixed-scanning.

THE RATIONALISTIC APPROACH

Rationalistic models are widely held conceptions about how decisions are and ought to be made. An actor becomes aware of a problem, posits a goal, carefully weighs alternative means, and chooses among them according to his estimates of their respective merit, with reference to the state of affairs he prefers. Incrementalists' criticism of this approach focuses on the disparity between the requirements of the model and the capacities

Source: Public Administration Review. Dec. 1967.

of decision-makers.¹ Social decision-making centers, it is pointed out, frequently do not have a specific, agreed upon set of values that could provide the criteria for evaluating alternatives. Values, rather, are fluid and are affected by, as well as affect, the decisions made. Moreover, in actual practice, the rationalistic assumption that values and facts, means and ends, can be clearly distinguished seems inapplicable:

... Public controversy ... has surrounded the proposal to construct a branch of the Cook County Hospital on the South Side in or near the Negro area. Several questions of policy are involved in the matter, but the ones which have caused one of the few *public* debates of an issue in the Negro community concern whether, or to what extent, building such a branch would result in an all-Negro or "Jim Crow" hospital and whether such a hospital is desirable as a means of providing added medical facilities for Negro patients. Involved are both an issue of *fact* (whether the hospital would be segregated, intentionally or unintentionally, as a result of the character of the neighborhood in which it would be located) and an issue of *value* (whether even an all-Negro hospital would be preferable to no hospital at all in the area). In reality, however the, factions have aligned themselves in such a way and the debate has proceeded in such a manner that the fact issue and the value issue have been collapsed into the single question of whether to build or not to build. Those in favor of the proposal will argue that the facts do not bear out the charge of "Jim Crowism"—"the proposed site ... is not considered to be placed in a segregated area for the exclusive use of one racial or minority group"; or "no responsible officials would try to develop a new hospital to further segregation"; or "establishing a branch hospital for the ... more adequate care of the indigent patient load, from the facts thus presented, does not represent Jim Crowism." At the same time, these proponents argue that whatever the facts, the factual issue is secondary to the overriding consideration that "there is a here-and-now need for more hospital beds. ... Integration may be the long-run goal, but in the short-run we need more facilities."²

In addition, information about consequences is, at best, fractional. Decision-makers have neither the assets nor the time to collect the information required for rational choice. While knowledge technology, especially computers, does aid in the collection and processing of information, it cannot provide for the computation required by the rationalist model. (This holds even for chess playing, let alone "real-life" decisions.) Finally, rather than being confronted with a limited universe of relevant consequences,

¹ See David Braybrooke and Charles E. Lindblom, *A Strategy of Decision*, New York: Free Press, 1963, pp. 48-50 and 111-43; Charles E. Lindblom, *The Intelligence of Democracy*, New York: Free Press, 1965, pp. 137-9. See also Jerome S. Bruner, Jacqueline J. Goodnow, and George A. Austin, *A Study of Thinking*, New York: John Wiley, 1956, chaps. 4-5.

² James Q. Wilson, *Negro Politics*, New York: Free Press, 1960, p. 189.

decision-makers face an open system of variables, a world in which all consequences cannot be surveyed.³ A decision-maker, attempting to adhere to the tenets of a rationalistic model, will become frustrated, exhaust his resources without coming to a decision, and remain without an effective decision-making model to guide him. Rationalistic models are thus rejected as being at once unrealistic and undesirable.

THE INCREMENTALIST APPROACH

A less demanding model of decision-making has been outlined in the strategy of "disjointed incrementalism" advanced by Charles E. Lindblom and others.⁴ Disjointed incrementalism seeks to adapt decision-making strategies to the limited cognitive capacities of decision-makers and to reduce the scope and cost of information collection and computation. Lindblom summarized the six primary requirements of the model in this way:⁵

1. Rather than attempting a comprehensive survey and evaluation of all alternatives, the decision-maker focuses only on those policies which differ incrementally from existing policies.
2. Only a relatively small number of policy alternatives are considered.
3. For each policy alternative, only a restricted number of "important" consequences are evaluated.
4. The problem confronting the decision-maker is continually re-defined: Incrementalism allows for countless end-means and means-ends adjustments which, in effect, make the problem more manageable.
5. Thus, there is no one decision or "right" solution but a "never-ending series of attacks" on the issues at hand through serial analyses and evaluation.

³ See review of *A Strategy of Decision* by Kenneth J. Arrow in *Political Science Quarterly*, Vol. 79 (1964), p. 585. See also Herbert A. Simon, *Models of Man*, New York: Wiley, 1957, p. 198, and Aaron Wildavsky, *The Politics of the Budgetary Process*, Boston: Little, Brown & Co., 1964, pp. 147-52.

⁴ Charles E. Lindblom, "The science of 'muddling through'", *Public Administration Review*, Vol. 19 (1959), pp. 79-99; Robert A. Dahl and Charles E. Lindblom, *Politics, Economics and Welfare*, New York: Harper & Brothers, 1953; *Strategy of Decision*, *op. cit.*, and *The Intelligence of Democracy*, *op. cit.*

⁵ Lindblom, *The Intelligence of Democracy*, *op. cit.*, pp. 144-8.

6. As such, incremental decision-making is described as remedial, geared more to the alleviation of present, concrete social imperfections than to the promotion of future social goals.

MORPHOLOGICAL ASSUMPTIONS OF THE INCREMENTAL APPROACH

Beyond a model and a strategy of decision-making, disjointed incrementalism also posits a structure model; it is presented as the typical decision-making process of pluralistic societies, as contrasted with the master planning of totalitarian societies. Influenced by the free competition model of economics, incrementalists reject the notion that policies can be guided in terms of central institutions of a society expressing the collective "good". Policies, rather, are the outcome of a give-and-take among numerous societal "partisans". The measure of a good decision is the decision-makers' agreement about it. Poor decisions are those which exclude actors capable of affecting the projected course of action; decisions of this type tend to be blocked or modified later.

Partisan "mutual-adjustment" is held to provide for a measure of coordination of decisions among a multiplicity of decision-makers and, in effect, to compensate on the societal level for the inadequacies of the individual incremental decision-maker and for the society's inability to make decisions effectively from one center. Incremental decision-making is claimed to be both a realistic account of how the American polity and other modern democracies decide and the most effective approach to societal decision-making, i.e. both a descriptive and a normative model.

A CRITIQUE OF THE INCREMENTAL APPROACH AS A NORMATIVE MODEL

Decisions by consent among partisans without a societywide regulatory center and guiding institutions should not be viewed as the preferred approach to decision-making. In the first place, decisions so reached would, of necessity, reflect the interests of the most powerful, since partisans invariably differ in their respective power positions; demands of the underprivileged and politically unorganized would be underrepresented.

Secondly, incrementalism would tend to neglect *basic* societal innova-

tions, as it focuses on the short run and seeks no more than limited variations from past policies. While an accumulation of small steps could lead to a significant change, there is nothing in this approach to guide the accumulation; the steps may be circular—leading back to where they started, or dispersed—leading in many directions at once but leading nowhere. Boulding comments that, according to this approach, “we do stagger through history like a drunk putting one disjointed incremental foot after another”.⁶

In addition, incrementalists seem to under-estimate *their* impact on the decision-makers. As Dror put it: “Although Lindblom’s thesis includes a number of reservations, these are insufficient to alter its main impact as an ideological reinforcement of the pro-inertia and anti-innovation forces.”⁷

A CONCEPTUAL AND EMPIRICAL CRITIQUE OF INCREMENTALISM

Incrementalist strategy clearly recognizes one subset of situations to which it does not apply—namely, “large” or fundamental decisions,⁸ such as a declaration of war. While incremental decisions greatly outnumber fundamental ones, the latter’s significance for societal decision-making is not commensurate with their number; it is thus a mistake to relegate non-incremental decisions to the category of exceptions. Moreover, it is often the fundamental decisions which set the context for the numerous incremental ones. Although fundamental decisions are frequently “prepared” by incremental ones in order that the final decision will initiate a less abrupt change, these decisions may still be considered relatively fundamental. The incremental steps which follow cannot be understood without them, and the preceding steps are useless unless they lead to fundamental decisions.

Thus, while the incrementalists hold that decision-making involves a choice between the two kinds of decision-making models, it should be noted that (a) *most incremental decisions specify or anticipate fundamental*

⁶ Kenneth E. Boulding in a review of *A Strategy of Decision* in the *American Sociological Review*, Vol. 29 (1964), p. 931.

⁷ Yehezkel Dror, “Muddling through—‘science’ or inertia?”, *Public Administration Review*, Vol. 24 (1964), p. 155.

⁸ Braybrooke and Lindblom, *A Strategy of Decision*, *op. cit.*, pp. 66–69.

decisions, and (b) the cumulative value of the incremental decisions is greatly affected by the related fundamental decisions.

Thus, it is not enough to show, as Fenno did, that Congress makes primarily marginal changes in the federal budget (a comparison of one year's budget for a federal agency with that of the preceding year showed on many occasions only a 10 per cent difference⁹), or that for long periods the defense budget does not change much in terms of its percentage of the federal budget, or that the federal budget changes little each year in terms of its percentage of the Gross National Product.¹⁰ These incremental changes are often the unfolding of trends initiated at critical turning points at which fundamental decisions were made. The American defense budget jumped at the beginning of the Korean War in 1950 from 5 per cent of the GNP to 10.3 per cent in 1951. The fact that it stayed at about this level, ranging between 9 and 11.3 per cent of the GNP after the war ended (1954-60), did reflect incremental decisions, but these were made within the context of the decision to engage in the Korean War.¹¹ Fenno's own figures show almost an equal number of changes above the 20 per cent level as below it; seven changes represented an increase of 100 per cent or more and twenty-four changes increased 50 per cent or more.¹²

It is clear that, while Congress or other societal decision-making bodies do make some cumulative incremental decisions without facing the fundamental one implied, many other decisions which appear to be a series of incremental ones are, in effect, the implementation or elaboration of a fundamental decision. For example, after Congress set up a national space agency in 1958 and consented to back President Kennedy's space goals, it made "incremental" additional commitments for several years. Initially, however, a fundamental decision had been made. Congress in 1958, drawing on past experiences and on an understanding of the dynamics of incremental processes, could not have been unaware that once a fundamental commitment is made it is difficult to reverse it. While

⁹ Richard Fenno, Jr., *The Power of the Purse*, Boston: Little, Brown & Co., 1966, pp. 266 ff. See also Otto A. Davis, M. A. H. Dempster, and Aaron Wildavsky, "A theory of the budgetary process", *American Political Science Review*, Vol. 60 (1966), esp. pp. 530-1.

¹⁰ Samuel P. Huntington, quoted by Nelson E. Polsby, *Congress and the Presidency*, Englewood Cliffs, N.J.: Prentice-Hall, 1964, p. 86.

¹¹ *Ibid.*

¹² Fenno, *The Power of the Purse*, loc. cit.

the initial space budget was relatively small, the very act of setting up a space agency amounted to subscribing to additional budget increments in future years.¹³

Incrementalists argue that incremental decisions tend to be remedial; small steps are taken in the "right" direction, or, when it is evident the direction is "wrong", the course is altered. But if the decision-maker evaluates his incremental decisions and small steps, which he must do if he is to decide whether or not the direction is right, his judgment will be greatly affected by the evaluative criteria he applies. Here, again, we have to go outside the incremental model to ascertain the ways in which these criteria are set.

Thus, while actors make both kinds of decisions, the number and role of fundamental decisions are significantly greater than incrementalists state, and when the fundamental ones are missing, incremental decision-making amounts to drifting—action without direction. A more active approach to societal decision-making requires two sets of mechanisms: (a) high-order, fundamental policy-making processes which set basic directions and (b) incremental processes which prepare for fundamental decisions and work them out after they have been reached. This is provided by mixed-scanning.

THE MIXED-SCANNING APPROACH

Mixed-scanning provides both a realistic description of the strategy used by actors in a large variety of fields and the strategy for effective actors to follow. Let us first illustrate this approach in a simple situation and then explore its societal dimensions. Assume we are about to set up a worldwide weather observation system using weather satellites. The rationalistic approach would seek an exhaustive survey of weather conditions by using cameras capable of detailed observations and by scheduling reviews of the entire sky as often as possible. This would yield an avalanche of details, costly to analyze and likely to overwhelm our action capacities

¹³ For an example involving the Supreme Court's decision on desegregation, see Martin Shapiro, "Stability and change in judicial decision-making: incrementalism or *Stare Decisis*", *Law in Transition Quarterly*, Vol. 2 (1965), pp. 134–57. See also a commentary by Bruce L. R. Smith, *American Political Science Review*, Vol. 61 (1967), esp. p. 151.

(e.g. "seeding" cloud formations that could develop into hurricanes or bring rain to arid areas). Incrementalism would focus on those areas in which similar patterns developed in the recent past and, perhaps, on a few nearby regions; it would thus ignore all formations which might deserve attention if they arose in unexpected areas.

A mixed-scanning strategy would include elements of both approaches by employing two cameras: a broad-angle camera that would cover all parts of the sky but not in great detail, and a second one which would zero in on those areas revealed by the first camera to require a more in-depth examination. While mixed-scanning might miss areas in which only a detailed camera could reveal trouble, it is less likely than incrementalism to miss obvious trouble spots in unfamiliar areas.

From an abstract viewpoint mixed-scanning provides a particular procedure for the collection of information (e.g. the surveying or "scanning" of weather conditions), a strategy about the allocation of resources (e.g. "seeding"), and—we shall see—guidelines for the relations between the two. The strategy combines a detailed ("rationalistic") examination of some sectors—which, unlike the exhaustive examination of the entire area, is feasible—with a "truncated" review of other sectors. The relative investment in the two kinds of scanning—full detail and truncated—as well as in the very act of scanning, depends on how costly it would be to miss, for example, one hurricane; the cost of additional scanning; and the amount of time it would take.

Scanning may be divided into more than two levels; there can be several levels with varying degrees of detail and coverage, though it seems most effective to include an all-encompassing level (so that no major option will be left uncovered) and a highly detailed level (so that the option selected can be explored as fully as is feasible).

The decision on how the investment of assets and time is to be allocated among the levels of scanning is, in fact, part of the strategy. The actual amount of assets and time spent depends on the total amount available and on experimentation with various interlevel combinations. Also, the amount spent is best changed over time. Effective decision-making requires that sporadically, or at set intervals, investment in encompassing (high-coverage) scanning be increased to check for far removed but "obvious" dangers and to search for better lines of approach. Annual budget reviews and the State of the Union messages provide, in principle, such occasions.

An increase in investment of this type is also effective when the actor realizes that the environment radically changes or when he sees that the early chain of increments brings no improvement in the situation or brings even a "worsening". If, at this point, the actor decides to drop the course of action, the effectiveness of his decision-making is reduced, since, through some high-coverage scanning, he may discover that a continuation of the "loss" is about to lead to a solution. (An obvious example is the selling of a declining stock if a further review reveals that the corporation is expected to improve its earning next year, after several years of decline.) Reality cannot be assumed to be structured in straight lines where each step towards a goal leads directly to another and where the accumulation of small steps in effect solves the problem. Often what from an incremental viewpoint is a step away from the goal ("worsening") may from a broader perspective be a step in the right direction, as when the temperature of a patient is allowed to rise because this will hasten his recovery. Thus mixed-scanning not only combines various levels of scanning but also provides a set of criteria for situations in which one level or another is to be emphasized.

In the exploration of mixed-scanning, it is essential to differentiate fundamental decisions from incremental ones. Fundamental decisions are made by exploring the main alternatives the actor sees in view of his conception of his goals, but—unlike what rationalism would indicate—details and specifications are omitted so that an overview is feasible. Incremental decisions are made but within the contexts set by fundamental decisions (and fundamental reviews). Thus, each of the two elements in mixed-scanning helps to reduce the effects of the particular shortcomings of the other; incrementalism reduces the unrealistic aspects of rationalism by limiting the details required in fundamental decisions, and contextualizing rationalism helps to overcome the conservative slant of incrementalism by exploring longer-run alternatives. Together, empirical tests and comparative study of decision-makers would show that these elements make for a third approach which is at once more realistic and more effective than its components.

CAN DECISIONS BE EVALUATED?

The preceding discussion assumes that both the observer and the actor have a capacity to evaluate decision-making strategies and to determine

which is the more effective. Incrementalists, however, argue that since values cannot be scaled and summarized, "good" decisions cannot be defined and, hence, evaluation is not possible. In contrast, it is reasonable to expect that the decision-makers, as well as the observers, can summarize their values and rank them, at least in an ordinal scale.

For example, many societal projects have one primary goal such as increasing birth control, economically desalting sea water, or reducing price inflation by one-half over a two-year period. Other goals which are also served are secondary. e.g. increasing the country's R & D sector by investing in desalting. The actor, hence, may deal with the degree to which the *primary* goal was realized and make this the central evaluative measure for a "good" policy, while noting its effects on secondary goals. When he compares projects in these terms, he, in effect, weighs the primary goal as several times as important as all the secondary goals combined. This procedure amounts to saying, "As I care very much about one goal and little about the others, if the project does not serve the first goal, it is no good and I do not have to worry about measuring and totalling up whatever other gains it may be providing for my secondary values."

When there are two or even three primary goals (e.g. teaching, therapy, and research in a university hospital), the actor can still compare projects in terms of the extent to which they realize each primary goal. He can establish that project X is good for research but not for teaching while project Y is very good for teaching but not as good for research, etc., without having to raise the additional difficulties of combining the effectiveness measures into one numerical index. In effect, he proceeds as if they had identical weights.

Finally, an informal scaling of values is not as difficult as the incrementalists imagine. Most actors are able to rank their goals to some extent (e.g. faculty is more concerned about the quality of research than the quality of teaching).

One of the most imaginative attempts to evaluate the effectiveness of programs with hard-to-assess objectives is a method devised by David Osborn, Deputy Assistant Secretary of State for Educational and Cultural Affairs. . . . Osborn recommends a scheme of cross-multiplying the costs of the activities with a number representing the rank of its objectives on a scale. For instance, the exchange of Fulbright professors may contribute to "cultural prestige and mutual respect", "educational development", and gaining "entrée", which might be given scale numbers such as 8, 6, and 5, respectively. These numbers are then multiplied with the costs of the program, and the resulting figure is

in turn multiplied with an ingenious figure called a "country number". The latter is an attempt to get a rough measure of the importance to the U.S. of the countries with which we have cultural relations. It is arrived at by putting together in complicated ways certain key data, weighed to reflect cultural and educational matters, such as the country's population, Gross National Product, number of college students, rate of illiteracy, and so forth. The resulting numbers are then revised in the light of working experience, as when, because of its high per capita income, a certain tiny middle-eastern country turns out to be more important to the U.S. than a large eastern European one. At this point, country numbers are revised on the basis of judgment and experience, as are other numbers at other points. But those who make such visions have a basic framework to start with, a set of numbers arranged on the basis of many factors, rather than single arbitrary guesses.¹⁴

Thus, in evaluation as in decision-making itself, while full detailed rationalism may well be impossible, truncated reviews are feasible, and this approach may be expected to be more effective in terms of the actors' goals than "muddling through".

MORPHOLOGICAL FACTORS

The structures within which interactions among actors take place become more significant the more we recognize that the bases of decisions neither are nor can be a fully ordered set of values and an exhaustive examination of reality. In part, the strategy followed is determined neither by values nor by information but by the positions of and power relations among the decision-makers. For example, the extent to which one element of mixed-scanning is stressed as against the other is affected by the relationship between higher and lower organizational ranks. In some situations, the higher in rank, concerned only with the overall picture, are impatient with details, while lower ranks—especially experts—are more likely to focus on details. In other situations, the higher ranks, to avoid facing the overall picture, seek to bury themselves, their administration, and the public in details.

Next, the environment should be taken into account. For instance, a highly incremental approach would perhaps be adequate if the situation were more stable and the decisions made were effective from the start. This approach is expected to be less appropriate when conditions are

¹⁴ Virginia Held, "PPBS comes to Washington", *The Public Interest*, No. 4 Summer 1966), pp. 102-15, quotation from pp. 112-13.

rapidly changing and when the initial course was wrong. Thus, there seems to be no one effective decision-making strategy in the abstract, apart from the societal environment into which it is introduced. Mixed-scanning is flexible; changes in the relative investment in scanning in general as well as among the various levels of scanning permit it to adapt to the specific situation. For example, more encompassing scanning is called for when the environment is more malleable.

Another major consideration here is the capacities of the actor. This is illustrated with regard to interagency relations by the following statement: ". . . the State Department was hopelessly behind. Its cryptographic equipment was obsolescent, which slowed communications, and it had no central situation room at all."¹⁵ The author goes on to show how as a consequence the State Department was less able to act than was the Defense Department.

An actor with a low capacity to mobilize power to implement his decisions may do better to rely less on encompassing scanning; even if remote outcomes are anticipated, he will be able to do little about them. More generally, the greater a unit's control capacities the more encompassing scanning it can undertake, and the more such scanning, the more effective its decision-making. This points to an interesting paradox: The developing nations, with much lower control capacities than the modern ones, tend to favor much more planning, although they may have to make do with a relatively high degree of incrementalism. Yet modern pluralistic societies—which are much more able to scan and, at least in some dimensions, are much more able to control—tend to plan less.

Two different factors are involved which highlight the difference in this regard among modern societies: While all have a higher capacity to scan and some control advantages as compared to nonmodern societies, they differ sharply in their capacity to build consensus. Democracies must accept a relatively high degree of incrementalism (though not as high as developing nations) because of their greater need to gain support for new decisions from many and conflicting subsocieties, a need which reduces their capacity to follow a long-run plan. It is easier to reach consensus under noncrisis situations, on increments similar to existing policies, than to gain support for a new policy. However, the role of crises is significant; in

¹⁵ Roger Hilsman, *To Move a Nation: The Politics of Foreign Policy in the Administration of John F. Kennedy*, Garden City, N.Y.: Doubleday & Co., 1967, p. 27.

relatively less passive democracies, crises serve to build consensus for major changes of direction which are overdue (e.g. desegregation).

Totalitarian societies, more centralist and relying on powers which are less dependent on consensus, can plan more but they tend to overshoot the mark. Unlike democracies which first seek to build up a consensus and then proceed, often doing less than necessary later than necessary, totalitarian societies, lacking the capacity for consensus-building or even for assessing the various resistances, usually try for too much too early. They are then forced to adjust their plans after initiation, with the revised policies often scaled down and involving more "consensus" than the original one. While totalitarian gross misplanning constitutes a large waste of resources, some initial overplanning and later down-scaling is as much a decision-making strategy as is disjointed incrementalism, and is the one for which totalitarian societies may be best suited.

A society more able to effectively handle its problems (one referred to elsewhere as an *active society*)¹⁶ would require:

1. A higher capacity to build consensus than even democracies command.
2. More effective though not necessarily more numerous means of control than totalitarian societies employ (which new knowledge technology and better analysis through the social sciences may make feasible).
3. A mixed-scanning strategy which is not as rationalistic as that which the totalitarian societies attempt to pursue and not as incremental as the strategy democracies advocate.

¹⁶ Amitai Etzioni, *The Active Society: A Theory of Societal and Political Processes*, New York: Free Press, 1968.

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CHAPTER 3

THE FORMS AND STYLES OF PLANNING

Years ago, a freshly minted Ph.D. from the University of Chicago, I taught a course on regional planning in the Brazilian city of Belém, a medium-sized provincial capital on the Amazon River delta. My students were young professionals working for the newly created Amazon Development Authority. To round off six months of rather dreary classroom study, we decided to hire one of the steamboats that plied a leisurely trade between Belém and Manaus two thousand miles upstream. Our intention was to pay brief visits to some of the development sites in the region.

In order to enliven a journey that took us through long stretches of monotonous landscape composed of sky, water, and equatorial forest, I conducted a series of informal seminars on planning theory. Our very first meeting began with what I thought would be a simple and straightforward question. "What is planning?" I asked. But the simplicity was more apparent than real. Overnight the question became a byword among us. Hotly, but inconclusively, debated at all hours of the day and night, it was greeted with peals of laughter when anyone dropped the phrase, now teasingly, now as a challenge. Some thought that planning was identical with economic development. Others believed

it to be a way for making decisions more rationally. Yet a third faction emphasized its instrumental character. A fourth group preferred to view it in the context of control and order. A fifth group saw it as a way of blueprinting the future. Many factions were formed during the sweltering two weeks of our journey. Suspended between sky and water, we experienced a strange sensation. Here was a group of practicing young planners unable to define the nature of their calling.

I have subsequently sprung this question on many other groups of students. Suppose you wanted to study planning in the city of Los Angeles, I might ask them, where would you look? What would you study? Would you include only those offices which carry "planning" in their titles, such as the Los Angeles City Planning Department, or would you study other activities and agencies as well? Questions such as these turn out to be extremely perplexing. They point to a major conceptual weakness in the study of planning.

My intention in this chapter is to propose some distinctions that I have found useful in looking at the behavior of planners and planning agencies. The first relates to the *forms* of planning. I shall discuss here the ways in which scientific and technical knowledge is related to organized actions that help to (1) maintain a given system in a state of equilibrium or balance and (2) induce major changes in its performance. The second major distinction refers to *styles* of planning and explores the ways in which planning is influenced by the instruments and methods of control available to planners as well as by the social and institutional environment to which it must adapt itself to be effective.

The following discussion is somewhat technical and abstract. It will equip us, however, with a set of concepts and a vocabulary that will be used throughout the remainder of this book. I therefore ask the reader's indulgence.

The Forms of Planning

Societal guidance encompasses both the maintenance and the change of social systems. National planners, for example, may be concerned with holding to a given rate of growth in production, or with keeping unemployment down to politically tolerable levels. Such objectives, which may be basic to the health and vigor of the economy, can be achieved only by holding a set of critical relations, such as consumption and investment, exports and imports, and the several production sectors of the economy in a dynamic balance. But central planners may be equally interested in changing the overall economic performance of the system, accelerating its long-term rate of growth, for example, or altering the proportions of income received by different sectors of the population. These changes can be accomplished on an enduring basis only by appropriate changes in the institutions that generate a given growth rate or a particular distribution of income.

Urban planners face quite similar tasks. They must see to it, for instance, that a city continues to function adequately under conditions of steady economic and demographic expansion. People want to move about the city without excessive loss of time, and the basic demands of the population for land, housing, public services, education, and recreation must be met. In this case, the problem is principally one of adding to existing facilities and of making a series of adaptive changes in those conditions that affect the degree of efficiency in city life. At the same time, however, urban planners may also need to bring about major improvements in the city performance. The need for these *qualitative* changes may derive from an accumulated inability to keep public services abreast of urban expansion, or from a change in values that renders earlier performance standards obso-

lete, or from demands for new services, such as mass transit, public housing, and pollution management. To respond to these demands, planners will have to think of altogether different ways of guiding the city's development; they will have to innovate on a substantial scale.

These two facets of societal guidance—maintaining a complex social system in balance and, *simultaneously*, inducing new performance characteristics through changes in some of its structural relations—interpenetrate in many ways. Innovations may be needed, for example, to restore a system to a healthy balance; to create conditions of full employment in an environment subject to rapid technological change and skill obsolescence, or to invent new forms of governance for cities that have grown into a tangle of conflicting jurisdictions. On the other hand, a measure of balanced order may be prerequisite to the introduction of planned innovations. In times of crisis and social turmoil, basic innovations are difficult to make; all efforts are instead directed to coping with the immediate troubles—putting out a fire, recovering from the ravages of civil war, restraining runaway inflation, or feeding a famished population. Imaginative solutions to these problems may be improvised but, as a rule, they do not constitute structural and, therefore, lasting innovations. A minimum of order must be restored before the basic institutional changes that will diminish the probabilities of future conflagrations, civil conflict, hunger, and inflation can be accomplished.

In spite of the difficulty of distinguishing actions aimed at maintaining systems from those designed to change them, two forms of planning have evolved, one addressing itself primarily to maintenance, the other to change. I have chosen to call them allocative and innovative planning.

By *allocative planning*, I mean the distribution of limited resources among a number of competing users. This is typically regarded as the major task of central planners and, for many people, it is planning's only proper function.

The well-known Planning-Programming-Budgeting System (PPBS) that was introduced into the operations of the federal government, following a successful experience in the Department of Defense, represents a clear instance of allocative planning. Elsewhere, central planning agencies are principally engaged in efforts to rationalize the allocation of investments to promote such ends as economic growth. The cost-benefit studies used by the U. S. Army Corps of Engineers and the Department of Interior in the selection of water resource projects are a type of allocative planning. Even a master plan for a city is best thought of as an instrument of resource allocation, the resource being, in this case, limited urban space.

Whatever the level on which it takes place, allocative planning shows certain distinctive characteristics. Four of these will be described.

1. *Comprehensiveness*. Allocative planning must be comprehensive with respect to at least the following sets of interdependencies: (a) all explicitly stated objectives; (b) major alternative uses for the resources available; and (c) projected external conditions that may modify the setting of intermediate targets.

With regard to the first set, the logic of allocative planning requires that the system over which resources are to be distributed have a single set of comprehensive, system-wide objectives, so ordered that the more inclusive, overriding objectives are placed at the top and the more narrowly conceived, instrumental ones at the bottom. This requirement has led planners to the notion of a general or *public* interest, reflecting a consensus on the society's relevant values. Since a full description of the public interest in this sense is hardly ever formulated by political decision makers, planners themselves have had to attempt to identify and order the relevant values. This, in turn, has prompted planners to assume a model of society in which a stable consensus on the relevant values is not only attainable but also predict-

able. They postulate a society in which enlightened citizens, acting on complete information, will maximize the welfare of the community of which they form a part. In the bird's-eye perspective of central planners, therefore, society appears harmoniously ordered; conflict and struggle are either absent or subordinated to the superior wisdom of a collective mind (i.e., a central planning agency).

Complex modern society fails to correspond to such a model. Special interests predominate, and where the planner's values threaten powerful and self-regarding groups, the latter are generally capable of frustrating the intentions of the plan. Since planners are not so naïve as to believe that their own preferences can prevail over those who exercise effective power in society, they will be careful to couch their version of the public interest in terms that are acceptable to the powerful. Allocative planning serves primarily the interests of those who are already strong.

Regarding the second set, planners are constrained to employ criteria capable of harmonizing the competing claims of potential resource users. The principal criterion is that of marginal efficiency, in which social benefits accruing from the last dollar spent in any particular use must be equal to the social benefits in all potential uses. This criterion highlights a certain ambivalence in allocative planning. The method of marginal analysis is incremental. Alternative uses for relatively small units of resources must be compared to detect the social productivity of each. This puts the emphasis on short-term options.

But the productivity of resources cannot be properly evaluated without a long-run view. And this suggests the need for allocations that commit the society for long periods ahead. Every allocative plan, therefore, strives to formulate a model of future society that is different from the present in some important ways. This model, implying a given pattern of resource allocations over time, is necessarily a statement of what society ought to become. But marginal anal-

ysis has nothing to contribute to a choice among alternative futures. Moreover, insofar as central planning acts as a handmaiden of the dominant interests in the society, any long-range statement will simply be a projection of prevailing interests and, consequently, will usually point to only minimal changes.

This ambiguity cannot, in principle, be resolved. It has contributed to a schizophrenic turn of mind among planners who champion marginal analysis as a method but wish to work for a society where basic changes are at least conceivable. Unwilling (or unable) to act as technical brokers in a political process, allocative planners have had to be satisfied with rather makeshift and logically indefensible solutions.

The third set of interdependencies refers to external conditions that may significantly influence the setting of intermediate targets. Here, allocative planners have claimed a special, trained ability to predict the future. The commitment of resources to particular uses can be justified only by the claim that the results of doing so will meet the future "needs" of the society as these are currently foreseen. But not only may perceptions of need change with time; other conditions, such as the availability of critical resources, may do likewise.

A comprehensive approach to allocative planning clearly requires abilities in long-range forecasting. These forecasts must be quite precise, including the timing of foreseeable changes, year by year, in order to furnish an adequate informational base for long-range planning. Central planners inevitably try their hands at forecasting future conditions, such as the size and composition of the population, the volume and distribution of income, external assistance, evolving price structures, the differential rates of inflation, technological innovations, changes in values, etc. But, as we shall see in Chapter 5, their ability to predict these changes is severely limited. Except where very short periods of time

are involved, central planners are operating either on the basis of wrong assumptions or simply in the darkness of their ignorance.

The requirement of comprehensiveness in central allocation, therefore, gives rise to a series of logical inconsistencies that contributes to making its system-balancing role a precarious undertaking. None of the inconsistencies mentioned above permits of an easy solution that would leave the principle of central allocation, as presently understood, intact.

2. *System-wide balances.* The criterion of optimal choice, which is the intellectual foundation for allocative planning, requires a balance among the various components of the system, to permit the precise calculation of the results of incremental change. The models with which allocative planners work are thus expressed in terms of equilibrium relations. Planned investments must not exceed the system's capacity to save; total imports must not exceed projected exports plus other external sources of financing; employment gains must not be less than the projected increase in the labor force; electric power production must meet the projected levels of consumption. The proper magnitudes must be determined with considerable precision if they are to serve as targets of the economic system.

This approach to planning has implications for the behavior of allocative planners. It makes them reluctant to consider innovative actions that are risky and might upset the delicate balances they have projected. It diverts their attention from strategies for change as they struggle to make their equations balance to the satisfaction of hypercritical peers, who are more likely to be impressed by sophisticated models than by the actual substance of the plan. Finally, it makes them singularly reluctant to identify priorities for action, for that would mean devoting single-minded attention to certain critical elements at the expense of a comprehensive look at all the relevant variables. Allocative planners tend to be unduly impressed with the incapacity of systems

to adjust themselves automatically to internal and external changes. They are prone, therefore, to suggest policies for each and every element in their equations, implying that intervention is needed at all points simultaneously to keep the system in a proper balance.

3. *Quantitative analysis.* Neither a comprehensive account of major variables nor system-wide balances can be achieved without the help of quantitative models. These models allow for a study of the system under quasi-experimental conditions and are capable of leading, through a process of trial and error, to logically consistent solutions. The most frequently used models of this type include national economic accounts, input-output matrices, simulated systems, and linear programming.

In general, it may be argued that allocative planning concentrates more on a description of possible system states than on the process of transforming the existing society, and this is specifically true of these models. They are usually divorced from the society's institutional and legal constraints and, therefore, do not take into account the actual limits upon the instruments available for implementing actions. Useful as learning devices, quantitative models tend to divert the planner's attention from the need to formulate his plans in terms of the real world. Though highly abstract, they come to stand in the planner's mind for the reality they purport to describe. This inclines him to believe in the persuasiveness of his own logic and to ascribe greater rationality to the actors of a system than they are likely to display.

4. *Functional rationality.* Allocative planning is an attempt to make decisions functionally rational. As I suggested earlier, planners prefer to think that the major value premises of their work are independent of "rational" analysis. Their calling, they will be quick to tell you, is to work out the practical implications of the implicit norms of a society. As a well-known economist explains it:

The tendency now is, to abandon the effort to determine through economic analysis, what is the best form of economic organization or the "best" set of economic policies, and to accept goals established through the political process and stated by governments—full employment, price stability, more rapid economic growth, elimination of pockets of poverty or distressed areas, and the like. For the most part, such goals seem reasonable to economists, but by starting their analysis at the point where government policy is already determined, they avoid value judgments of their own. They may point out inconsistencies among goals, or worry about such dilemmas as rising cost of living and increasing unemployment side by side, but choice between goals is left to the government, as is the establishment of priorities. Usually some set of measures for achieving goals—once priorities are established—can be suggested, even if there remains doubt as to whether they constitute the best set of measures.¹

Such thinking is an exercise in self-delusion. On the one hand, planners like to present themselves as exponents of a morally neutral science; on the other hand, they lay claim to a special knowledge of the public interest. Though clearly in conflict, these two positions are frequently upheld as though they were in no way incompatible. The only logical defense would be to say that the public interest can somehow be determined scientifically, or that its formulation is itself an act of pure reason. Neither of these defenses is very convincing, however. Allocative planning cannot be based on rational grounds alone. It inevitably includes a major normative component, reflecting someone's, not necessarily the "public's," interests.

These basic traits of allocative planning have become deeply ingrained in the minds of professional planners. Nevertheless, the influence of central planning on the processes of societal guidance has been relatively small, and the institutions which have been developed to exert it have re-

mained relatively ineffective. Nor is this judgment confined to central economic planning. It is equally valid for the physical planning of cities which works through such allocative devices as the master plans or, more recently, general plans for urban development. The principal purpose of these plans is to divide the physical space of the city among existing and potential users.

The continued support of some kind of central planning suggests, however, that it may meet some needs that have little to do with its intentions. International agencies, for example, no less than the federal government, insist on the preparation and submission of comprehensive development plans as the basis upon which they make project grants to interested governments. This gives the granting institution the satisfaction of supporting a "best" course of action, *even where a firm political commitment to this course may not exist.*

Central allocative planning, we may conclude, has not lived up to its initial promises. The desire to be comprehensive has produced the illusion of an omnipotent intelligence; the method of system-wide balances has led to an overemphasis on stability; quantitative modeling has encouraged the neglect of the actual conditions governing policy and program implementation; and the claim to functional rationality has made planners insensitive to the value implications of their work.

Innovative planning has fared considerably better. It may be regarded as an approach to institutional development that is expected to produce a limited, but significant change in the structural relations of an existing system of societal guidance. According to one author, innovative planning "creates wholly new categories of activity, usually large in scale, so that they cannot be reached by increments of present activity, but only by initiating a new line of activity which eventually leads to the conceived result."² In innovative planning, different kinds of technical experts apply their

skills directly to the development of new organizational responses to the needs perceived. Rather than preparing elaborate proposals that are preliminaries to action, *they achieve a fusion of plan-making with plan-implementing activities during the course of the action itself*. In innovative planning, plan and action become coterminous.

Examples of innovative planning are not difficult to find. Typically, the effort is directed at the solution of a major problem, such as structural unemployment, rural backwardness, urban decay, or persistent failures of the educational system. New institutional arrangements are introduced to change the direction of the stream of ongoing events or the rate of its flow. As the pace of institutional innovation accelerates, the rhythm of societal development will quicken. Or, as Bertram Gross has observed of Mexican planning,

A new institutional infrastructure was needed. To build it in small pieces, however disconnected, seemed infinitely superior to the piling up of a vast hierarchical bureaucracy in a small number of ministries. It provided more upward career channels for people with ability and ambition. By placing scarce eggs in many baskets, there was more room for trial and error, more protection against failure. Promotion of new institutions took precedence over their coordination.

This kind of institution building has a pulse rate of its own. The more successful it is in getting things done, the more problems the new institutions create. This leads to increasing pressure to pull things together a little more tightly. . . . But then the effort to get important things done leads once again to new spurts of decentralized institution building. Central promotion of decentralized institutions once again races ahead of central coordination.³

To underline the distinctions between innovative and allocative planning, I shall describe three salient aspects of the former: a predominant concern with institutional change,

a basic orientation towards action, and a special emphasis on the mobilization of needed resources.

1. *Institutional change.* Innovative planning is fundamentally concerned with translating general value propositions into new institutional arrangements.

Imagine a simple case. Faced with a crisis of rising unemployment among young people, the government decides to undertake a vast program of public works, but wishes to limit the latter to rural conservation and environmental improvement. The program is intended to enroll unemployed young men and women in an Environmental Conservation Corps, which would join with local citizens in the recovery of eroded hillsides, the construction of flood control works, and large-scale reforestation. The budget set aside for this purpose equals about 15 per cent of the current budget for the Department of Agriculture, which, logically, should manage a program of rural betterment. But Agriculture, concerned with its ongoing and more or less routinized programs, is unable to absorb an additional project of this magnitude. Moreover, its long-standing rival, the Department of Interior, has expressed an interest in assuming charge of the new program, while several other departments have let it be known that they too would like to be dealt into the game. Under these conditions, the easiest solution is to establish the Environmental Conservation Corps as an independent agency of the government.

A skeleton staff of agronomists, soil conservationists, engineers, medical doctors, psychologists, educators, and professional administrators is recruited to draw up the details of the program, establish suitable selection procedures, propose a list of priority locations, negotiate with state and local governments to begin operations, and start to work on a program budget for the next few years. Regional offices are set up, and work begins on the construction of work camps at various sites around the country.

This entire process, from initial conception to the full-

scale operation of the program, may be included under the concept of innovative planning. The concept ceases to be applicable only when the program has become a matter of routine administration.

This example serves to emphasize several important characteristics of innovative planning. First, the Environmental Conservation Corps is addressed to a single set of problems. It makes no pretense of being comprehensive. Its area of impact is limited and focused. Second, it represents an attempt to improve the performance of a guidance system that has produced a certain volume and type of unemployment in the past. The change introduced is a structural one in the sense that it is meant as a permanent addition to the guidance system so that, in the future, a given proportion of the young unemployed members of the labor force will automatically be channeled into productive work that also involves a measure of re-education and social integration. This particular attempt will not itself reduce the incidence of unemployment among the young, but it will offer them an alternative to remaining unemployed.

Third, the Environmental Conservation Corps represents a non-incremental change in budgetary allocation (at least with respect to existing conservation work). This is typically the case, with the result that the social productivity of innovative planning cannot be evaluated by the usual methods of marginal analysis. The establishment of the corps is a political decision. Nevertheless, its consequences may be analyzed in advance by technical experts who, as active participants in a decision process, are probably not indifferent to its outcome. That this approach introduces significant biases into their analysis is undoubtedly true. But the relative loss of objectivity on the part of the individual analysts can be, and frequently is, balanced out in the confrontation among their diverse value positions. The pretense of a morally neutral science has thus no place in innovative planning.

Fourth, the Environmental Conservation Corps is a re-

formist rather than revolutionary innovation. Since revolutionary changes tend to occur faster than information about them can become available, a scientific-technical intelligence applied to revolutionary activity is superfluous; it can make its analyses only *after* the fact. On the other hand, where a number of independent innovative planning efforts occur simultaneously, they may eventually link up and, *together*, bring about a substantial transformation of the social system as a whole. Whether such a change deserves to be called revolutionary is a question that cannot be answered here.

2. *Action orientation.* Purpose and the realization of purpose are indistinguishable in innovative planning. It is, of course, true, that the invention of a program may be regarded, in purely instrumental terms, as a means in relation to an explicitly formulated end (e.g., reducing unemployment). It would be more accurate, however, to think of innovative planning as a creative social response to problem situations that are often vaguely understood. The Environmental Conservation Corps is designed to cope with large-scale unemployment among the young. It may reduce unemployment among this group, but it may also have important side effects. Not all of these effects may have been foreseen at the outset, but as they become apparent it is entirely conceivable that the original objectives will be reformulated. Their prior specification is therefore less important, and certainly less essential, than in allocative planning. Objectives are evolved during the course of the action itself, as a self-image crystallizes, the genuine options for action are discovered, and practical results become apparent. Substantial rationality is thus joined, in innovative planning, to a search for the means of effective action.

Related to this continuous search for the relevant objectives of action is a central concern with strategy. In successful instances of innovative planning, two related strategies will be employed. The first is primarily concerned with mat-

ters of institutional development, such as approaches to funding agencies, questions of internal organization and governance, relations with other agencies and institutions, and the building of a base of political support. The second is more concerned with achieving the evolving purposes of the institution. Going back to our earlier example, it would seek responses to such questions as: What criteria and methods should be used to recruit members into the Environmental Conservation Corps? What programs should be developed, in what sequence? Where should the programs be initiated? How should local communities be approached? How can the active support of government agencies be obtained? The two kinds of strategy are often joined: the development of an institution becomes an inseparable part of its ability to carry out its mission.

The imperatives of action are primary. Strategies are evolved "on the run" and are frequently not even recorded in formal documents. Innovative planning is, to a large extent, an ephemeral process that leaves its traces primarily in telephone conversations, the minutes of meetings, and floating memoranda. Formal documentation appears to be important only in connection with retrospective official reports and the need to obtain resources for the continued operation and expansion of the innovation.

3. *Resource mobilization.* Innovative planners perform an entrepreneurial function in mobilizing and organizing the use of institutional resources. Allocative planners, by contrast, are almost exclusively dedicated to the task of distributing resources among competing users. Because innovative institutions are new, and their continued existence is not yet assured, their management staffs will usually spend much of their time attracting resources to the organization. Their success in this will be reflected in the organization's budget, which, at least during the first few years, is likely to show large annual increases. From the standpoint of already existing institutions competing for the same resources, the

innovative agency will appear as a predator on the scene. For this reason, the innovative institution will have to take care not to expose itself unnecessarily to criticism. A good part of its activities may, therefore, be shrouded in relative secrecy until a loyal clientele is built and the first concrete (and, it is to be hoped, successful) results are reported:

Planning has for so long been identified with central resource allocation that its innovative thrust has, for the most part, gone unnoticed. Yet innovative is undoubtedly the more prevalent form of planning. Imagine a country where nothing ever happens. From year to year, public resources are allocated in roughly the same proportion to the same users. Small adjustments may be made from time to time, correcting random errors in the system, but these do not produce significant changes in the country's economy. In such a country, planning is clearly superfluous; its planners—if they existed—would simply copy last year's plan. Admittedly, this is an extreme example. But it serves to underscore the point that allocative planning is needed only when important changes are occurring and balance must be artificially restored.

Imagine now the opposite extreme, a country so overwhelmed by change that the whole system becomes wildly unbalanced. Clearly, one would argue, it is precisely under these conditions that some form of central guidance is needed. Yet it is, in fact, unlikely that allocative planning would be used in such a situation, for the government would lack both the knowledge and the power necessary to make its decisions effective. The only possibility of salvaging the country by means of planning would be to carry out a large-scale program of institutional innovation.

Summarizing, we arrive at the unattractive conclusion that, *where allocative planning is most feasible, it is superfluous, and, where it is most needed, it is unfeasible*. Innovative planning, on the other hand, is both needed and feasible in the two cases described: in the first, to get the

country moving, and in the second, to build up the new structures without which the country would fall into chaos. Most countries are located between the two extremes and, therefore, practice both forms of planning. But innovative planning—being change-oriented—generally predominates.

Innovative planning occurs at a limited number of intersections in a system of structural relations, where the new institutions that are brought into being constitute relatively isolated “enclaves of modernity.” Impulses of change ripple outwards from these points to other parts of the system. Initially, these innovations are not co-ordinated with one another unless central allocative planners wield, in fact, more power than they normally do. But once a given institutional development reaches a certain level of consolidation, efforts will be made to adjust its transactions with its environment in ways that will allow the institution (and its programs) to operate more smoothly and effectively, on an increasingly routinized basis. New allies and bases of external support will be sought, especially among other recent innovators, until a network of innovative institutions comes into being, establishing a new “plateau” from which a second generation of innovations may arise.

Innovative planning, then, is an initially unco-ordinated and basically competitive form of planning. It contrasts sharply with central allocation, an activity pre-eminently concerned with balances, co-ordination, and the implementation of a consensual public interest. The top leaders of the Israeli government, for example, have:

deliberately nourished the institution-building, empire-constructing, resource-grabbing, expansionism of organization in all sectors of society, including science and education as well as the trade union movement, political parties, and private business. This has meant the promotion of sectoral planning. The result has been more and more high-pressure planning and implementation by competitive institutions. Under such circumstances, clear-cut coordination by com-

mand of central authorities has neither been feasible, essential, nor desirable.⁴

Relations between allocative and innovative planning are thus inevitably in a state of tension. System balances must be maintained, but change in desired directions is also needed. Although both forms of planning are generally required, innovative planning tends to be relatively independent of central allocative mechanisms. It manages its own resources and aggressively seeks to enlarge the scope of its influence and power. For a considerable time, its results can be known only in fragmentary form, rendering evaluation of its use of resources impractical. Innovative planning may eventually acquire its own base of political support. Its managing staff will tend to be selected more for their entrepreneurial talents than for their skills in bureaucratic management.

In all these respects, innovative planning is likely to run into the opposition of central (allocative) planners, who will strain to reincorporate the innovative effort into normal bureaucratic molds, limit its claims upon central resources, and improve its reporting and accounting systems. For central planners have responsibilities quite different from those of innovators. They must worry about the critical ceilings of resources expenditure and make certain that other essential functions of the system are not impaired by the reckless actions of innovative planners. While they may accommodate change up to a point, allowing some flexibility in the management of the subcomponents of the system for which they have responsibility, central planners must not lose sight of indicators that will tell them whether the system is holding to a steady course.

One of the major differences between innovative and allocative planning, however, has nothing to do with this classical struggle between demands for greater autonomy and subordination to general rules. Innovative planning, as we have seen, is largely a self-executing activity; the formulation

and carrying out of plans constitute, in this case, a single operation. But with allocative planning, there is always the problem of how the general plan is to be carried out. The failure to make planning effective, in the sense of producing real effects visible in the society, is a frequent, popular, and justified complaint. The usual attempts to explain this failure refer to a gap in communications between planners and decision makers or to the "irrationality" of a political process that doesn't take into account the system-wide perspectives provided by the plan. In a more constructive vein, allocative planners will assert their need to be located as close as possible to the sources of formal authority, usually the chief executive. But experience has shown that, unless the chief executive has a keen personal interest in using his planning staff to make the basic resource allocations, the effectiveness of central planning is likely to be low.

A more fundamental explanation appears to lie in the decision model that central planners have consistently used to describe and, at the same time, to justify their professional roles in societal guidance (Figure 1).

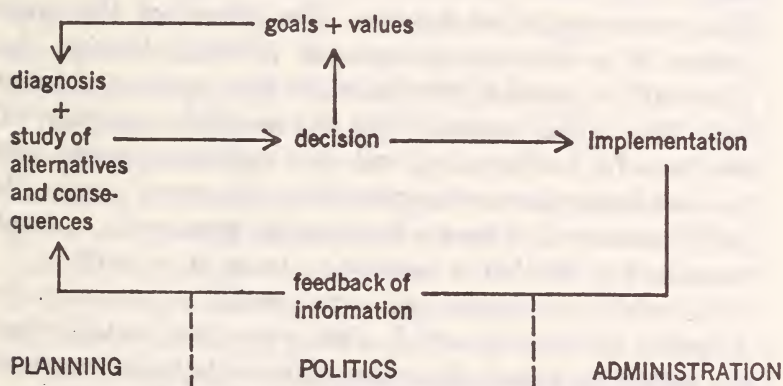


Figure 1. The Classical Decision Model of Allocative Planning

In this model, planning, political decisions, and implementation appear as sequential steps. Decision makers provide the planners with goals and values. Once these norms have been established, planners carry through a general diagnosis of the situation, identify the alternative courses of action that will maximize the decision makers' values, and examine the probable consequences of these actions. The final array of alternatives and consequences is then presented to the decision makers, who, upon reviewing the information, select a course of action. This decision is then communicated to the administrative bureaus, which are dedicated to carrying out the designs of their political masters. As results start to materialize, a stream of information is generated that is channeled back to the central planners, who carry out a continuous review of the plan.

According to this model, planners, politicians, and bureaucrats are engaged in distinct and separate activities, each doing essentially one thing: planners analyzing and proposing, politicians defining the objectives and choosing, and bureaucrats implementing the selected programs. Theoretically, planners have little need for contact with bureaucrats except to receive the information that the latter supply them as a matter of routine. The climax of the entire process is a dramatic moment of political decision. Implementation, on the other hand, is seen as nonproblematical. The model assumes that the needed resources will somehow be forthcoming, and that sufficient powers exist to co-ordinate the necessary actions. Or, more simply, the model assumes that once a decision has been made, a simple command is all that is needed to make it a reality.

No model, of course, can ever provide an accurate description of the real world. This particular model reflects the prevailing bias of allocative planners towards functional rationality, their desire to remove planning from the contaminating influence of pragmatic action (i.e., from the exercise of effective power), and to surround it with an aura

of scientific objectivity. To the extent that planning is influenced by this model, it becomes oriented to the system's political objectives more than to the needs of implementing agencies. The reason for the inconsequential nature of much allocative planning therefore resides in its failure to take into account the basic difficulties of implementing decisions.

Styles of Allocative Planning

How much power a system has—or is willing to use—will determine both the choice of implementing strategies and the probable outcomes. If I have money, I can hire a contractor and build whatever housing suits my needs. If I don't have money, I may be able to borrow some, but then the banker may wish to impose certain restrictions on the quality of the design. And if I cannot even borrow the amount I need, I will be forced to keep on living where I live.

The relation between effective power and the kind of results that may be obtained from using it would seem an obvious one, yet it is rarely acknowledged to exist in allocative planning. Where it is heeded, so that the capacity to plan is linked directly with implementing processes (taking into account all existing limitations on the uses of power), a unique *style* of allocative planning results.

Implementing processes are, to a large extent, determined by the distribution of power in a system.⁵ Theoretically, therefore, it is possible to distinguish among systems where power is strongly centralized, weakly centralized, fragmented, and dispersed. Associated with each type of system is a particular method of implementation and style of allocative planning (Table 1). These relations do not, of course, completely characterize any existing system. But the typology is useful for exploring the interconnections among planning styles that give rise to the complex systems of societal guidance we can actually observe.

TABLE 1

A Typology of Allocative Planning Styles

Distribution of power	Strongly centralized	Weakly centralized	fragmented	dispersed
Method of Implementation	compulsory targets	mixed field controls • general rules • inducements • information	bargaining (few negotiators: corporate structure)	participation in decision processes (many participants: community structure)
Predominant Forms of Control	sanctions	restructuring of the decision environment	normative compliance	voluntary compliance
Predominant Orientation Toward	plans	policies	processes	processes
Characteristic Role of Technical Experts	bureaucratic specialist	advisor	negotiator and broker	organizer and advocate
Style of Allocative Planning	command planning	policies planning	corporate planning	participant planning

Four major planning styles emerge from this typology: command, policies, corporate, and participant planning. The first, or *command planning*, is associated with strongly centralized systems of governmental power. In such systems, a bureaucracy exists for the purpose of meeting compulsory targets, and appropriate performance is required of its members. Sanctions, such as fines and prison terms, may be imposed to secure compliance with the plan, but various

forms of moral pressure and persuasion may also be applied. In command planning, the technical expert is accustomed to fine divisions of labor and the tasks of information processing are highly specialized.

The command system comes closest to the formal decision model of allocative planning. Its information requirements are extraordinarily demanding. Complete, accurate, and timely information must be obtained about all aspects of the system to be planned, and the controls must cover all the variables relevant to achieving specified performance levels. Subunits of the central planning office must therefore be established throughout the administration, down to the lowest functional and territorial levels. No element of the system can be exempted from participating in a process which, to produce the results that have been blueprinted in advance, must join planning and administration in ways that will erase all practical distinctions between them.

Control figures are used throughout the command system to establish targets and to provide a carefully calibrated measure of performance. They may also be used to increase pressures for compliance, and may frequently be set above the levels actually believed feasible. Ultimately, however, the system's successful performance depends on a generalized fear of the sanctions that may be imposed if performance should fall below the expected target levels. Because of this—and because the command style of planning is subject to enormous errors of fact, calculation, and judgment—extralegal means are widely used to correct the results of planners' miscalculations, and graft, lying, and corruption become intrinsic to the system.

Policies planning is less demanding in its requirements for information, organization, and control. Associated with weakly centralized systems of government, its method is to induce appropriate actions through statements of general guidelines and criteria for choice, the provision of material incentives, and the dissemination of information for de-

centralized planning. In each case, the emphasis is on indirect or field controls. Policy announcements, inducements, and information have the primary purpose of *restructuring the environment for decisions of the relevant actors*. Policies, for instance, are meant to make some allocative choices impossible while increasing the probability of other, more desirable ones. A tight credit policy will make money unavailable below a certain rate of interest. An industrial location policy, applied through a system of licensing and subsidies, can prevent locations in areas not scheduled for expansion. Both have the effect of making certain choices more, and others less, attractive. The effect of providing information, on the other hand, is primarily to reduce the uncertainties involved in any choice and, consequently, the risk of economic loss to actors.

The use of policies planning frequently requires some form of direct control to reset the boundaries of choice. But such controls must be applied selectively for maximum impact (e.g., control over the banking rates of interest; a compulsory licensing system) and thus leave substantial areas of freedom where planners are indifferent to the precise results.

The expert role characteristically associated with policies planning is an advisory one. Most central planners are to some extent active participants in formulating policies. As advisors, they stand somewhat outside the normal rules of bureaucratic conduct, however, and therefore rely on personal ability to influence decisions more than on official position or professional title. Policies stand a greater chance of being implemented than comprehensive plans for resource allocation, because policies are usually responses to urgent political demands and are backed by political commitments. Policies are also easier to manage than central resource allocations. Generally, they focus on a single issue only, such as low-cost housing or the fisheries industry, and are concerned more with introducing specific changes into an

ongoing situation than with maintaining system-wide balances. Policies planning is often the prelude to a concerted effort at innovation.

In *corporate planning*, process tends to be stressed more than the ultimate product and may even come to be valued in its own right. More specifically, the results of negotiations through which corporate planning is sustained are not determined in advance; they crucially depend on the distribution of effective power among all the participants in the bargaining process and on their comparative skill in using this power.

Corporate planning occurs in situations where the structure of power culminates in a small number of influential organizations, such as industrial and business conglomerates, farmers' associations, labor unions, the church, and universities. Where power is so organized, each major corporate entity is able to exercise a veto with respect to any action affecting its own area of influence. No policy can therefore be implemented without the consent of those entities that will be most directly affected. Wage policy has to obtain the prior consent of both industrial employers and labor unions. Farm policy must be approved by farmers' associations. And so forth. In situations where power is so divided, the government is no longer an autonomous agent. Nevertheless, it may retain some freedom of choice to the extent that it can bargain effectively among the several contending interests. The perspective of government planners will therefore differ from those of the individual corporate entities, whose range of immediate interests will be more narrowly conceived.

The stakes are high in corporate planning. At the very least, all participants wish to preserve the existing balance of power among themselves. They are also looking for marginal advantages in the allocation of public resources. And finally, they hope to benefit from the knowledge obtained during the course of bargaining. Because of the

multiple intercorporate balances involved, corporate planning is not likely to result in long-range commitments to action. Each issue, as it arises, must be negotiated separately, with the result that the process of corporate planning appears as a continuous web of bargaining sessions and mutual consultations at the technical level. This continuity is also the most effective incentive for staying in the game. A small concession today may be met by someone else's concession tomorrow, and every participant hopes to maximize his long-run advantage by waiting for these opportunities. Binding long-term agreements are therefore a rare occurrence.

In this regard, the corporate planning process resembles and may even replace the political process. Participation is limited, however, to a small number of powerful actors, each of whom represents an important sector of the social economy. The subjects to be negotiated are generally introduced by the central planning office in the form of draft documents, backed by detailed technical analyses and projections. Major policy changes are not likely to be proposed, however, since they might occasion excessive conflict. Whenever any participant feels threatened, he may disrupt normal proceedings by staging a walk-out or resorting to extra-official means of persuasion, such as massive strikes or demonstrations. For this reason, corporate planning tends to be essentially conservative in its results. Its principal objective is to maintain the existing structure of oligarchical rule.

Corporate planning may be organized formally, as in France, or informally through systems of mutual consultation, as in some American cities. In either case, it will exclude from the processes of societal guidance all interests not directly tied into the corporate structure. The principal role of government planners in such a system is that of brokers among a small number of competing interests, and their further actions reflect the temporary outcomes of

the negotiating process. Other technical experts serve the interests of their corporate masters at the bargaining table.

Participant planning occurs under conditions where power to implement decisions resides in community forms of social organization and, consequently, is dispersed. Organizations of this type may be groups of neighbors (village, commune, neighborhood, housing estate), groups of workers (workshops, cooperatives, agricultural settlements), and groups of students and faculty (departments, colleges). In every case, the group must be spatially contiguous and capable of aggregating, formulating, and expressing the interests of its members.

Societies organized solely on this principle possess a rudimentary structure. Community groups always have quite limited resources, consisting chiefly of voluntary contributions of labor and small surpluses from productive activity. If the community is poor, however, its surplus may not be sufficient to meet the common needs, so that efforts to attract outside resources must be undertaken. For this reason, one would expect community groups in complex societies to evolve some system of hierarchical representation to ensure an adequate hearing at the city, district, and national levels of decision-making. A recent experiment in Chile, for instance, allows for the organization of neighborhood councils, associations of such councils at the municipal level, a small number of provincial federations, and finally a nationwide confederation. In principle, such a confederation will be controlled by its participant membership from below, but it will also exhibit the characteristics of traditional corporate entities, and its functional role in planning will in many ways be similar.

The source of ultimate control, however, is not unimportant. Corporate groups are traditionally controlled from the top. Community groups, on the other hand—located at the base of the organizational pyramid—usually share in all important decisions concerning the use of their re-

sources as well as in the implementation of some of these decisions. In this process, the role of central authorities is restricted to that of providing relevant information and technical assistance. A neighborhood group will decide on programs for housing improvement, street maintenance, the location and construction of parks and playgrounds, necessary social facilities, and the like. A workers' co-operative might deliberate over a program of modernization, social facilities in the factory, and product diversification. University departments organized on a communal basis may decide, in joint deliberations of students and faculty such questions as departmental governance, courses of study, student admissions, faculty selection and promotion, financial support for students and research, and methods for handling field work assignments.

But as these examples make clear, such groups cannot take care of the whole list of community needs, and whenever claims are made on resources controlled by central authorities, higher levels of community organization must be brought into play. In addition to the provision of information and technical assistance other tasks must be performed: mediation among competing interests (similar to corporate planning), central allocative planning to provide for system maintenance, and the distribution of funds according to the agreements reached in the negotiating sessions at the level of community confederations.

The process of participant planning is, at least at the lower levels, not very demanding in terms of information (most people know the environment in which they live), but extraordinarily demanding of time. Participation cannot be delegated, for unless at least a representative sample of the community is active in it, the process has no legitimacy. Procedures will be democratic, and decisions will be made, in small groups, on the basis of consensual agreement and, in larger groups on the basis of majority voting.

The old-fashioned New England Town Meeting may serve

as a prototype of participatory decision-making. Larger or more complex population groups necessitate some form of representation, however, with the result that the planning process becomes professionalized and probably bureaucratized as well. Not only do full-time representatives of community groups have to be paid, but the greater complexity of the issues and their greater distance from immediate experience make professional expertise essential. Planners working in a participant process need skills not unlike those that predominate in corporate planning. Among other things, they must be effective advocates of their clients and politically sophisticated negotiators.

Professional planners at the local level, however, must, in addition, be able to rally the community around the common tasks, help its members to learn about the problems they are facing and the available methods for dealing with them, and provide a constant stream of information about those relevant aspects of the external environment. On important issues, the higher levels in the pyramid of community structure will wish to consult the membership at the base. An uninformed, untutored membership lacking "intelligent insight into the structural forces of change" in the society may be unable to arrive at the substantially rational understanding of its condition that is needed for effective system guidance.

The typology of planning styles I have discussed so far has a number of characteristics to which attention should be directed. First, it is based on a continuum of power distribution that runs from strongly centralized to dispersed. A number of traits are stylistically associated with different points along this continuum. For example, the interpersonal element in planning increases steadily as one passes from command to participant planning, just as an orientation towards the preparation and processing of planning documents decreases. Interpersonal skills are of considerable

importance to the advisor, but they are crucial to the community organizer.

Innovative planning is related to styles of allocative planning in less systematic fashion. It lacks an independent role under command planning, where it is simply incorporated into the general structure of command. It occurs frequently under policies planning, but only rarely in the conservative, slowly moving system of corporate planning. Under participant planning, innovation will occur principally in the guise of organizing the planning process itself. The earlier discussion of the conflicting relationships between central allocative and innovative planning must therefore be modified to take prevailing planning styles into account.⁶

Interrelations among Planning Styles

Each of the four styles of allocative planning described may be thought of as one component that must be joined to others to make a guidance system work. Command planning cannot dispense with policies, and policies planning is impossible without involving the principal power centers through which the plan must be carried out. In other words, policies planning implies a measure of corporate planning.

This is where matters stand at present. But increasingly, there is pressure for a wider involvement of society in the processes of societal guidance. Old-style authoritarian planning is no longer acceptable in many parts of the world; it is certainly not in the United States. The responsiveness of guidance systems must therefore be heightened by extending the planning process to more dispersed groupings of effective interest representation in the society.

Certain relationships among components are more probable than others (see Figure 2). Three sets will be described: the linkage of command to policies planning, of

policies to corporate planning, and of corporate to participant planning. In a complete guidance system, these three sets would be forged into a chain, with transactions flowing in both directions, relating a small number of command structures to the myriad participant units in the society.

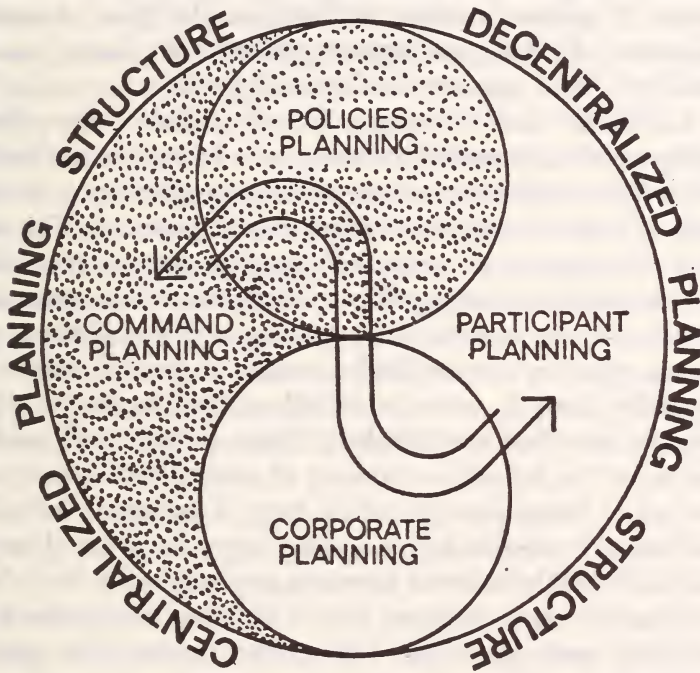


Figure 2. Probable Interrelations among Styles of Allocative Planning

1. *Command and Policies Planning.* This is the combination of planning styles most frequently encountered. No command system can expect directly to control every action necessary to the achievement of a given purpose. Where the powers of central government are weak, the extensive use of indirect controls is particularly essential. But even in totalitarian societies, reliance will be placed on policies plan-

ning in the measure that knowledge about the relevant conditions improves. For where the consequences of an action are known and understood, controls can be selectively applied. Properly used, policies planning is thus not only considerably less demanding than command planning in terms of information processing; it also gives the citizen a sense of greater freedom and reduces his fear of central sanctions. So long as desired performance levels can be reached, these are not insubstantial gains.

2. *Policies and Corporate Planning.* Unless the central government is powerful and corporate entities in the society are weak, corporate planning must be grafted onto the system of central controls (command plus policies). The relation of corporate to command planning appears more logical via policies planning than by way of a direct connection. Conducted by means of bargaining and negotiation, corporate planning is more likely to result in general statements of policy than in sets of detailed control figures to which specific sanctions are attached. These policies will tend to focus on the definition and uses of central inducements intended to bring about a certain type of corporate behavior. Industrial trusts, for instance, may argue in favor of export subsidies, while business interests may support a large freeway construction program that will bring consumers from outlying portions of the city to the center. This sort of negotiation may result in a bargain involving mutually contingent decisions. Industrial trusts may then promise to raise export levels by a certain percentage so long as government can guarantee a subsidy for exports, but the subsidy decision may, in turn, depend upon industry's proving its ability to increase total exports. Corporate planning joined to a policies framework can work only so long as there is mutual confidence that any bargain made is likely to be kept.

3. *Corporate and Participant Planning.* The urge to take an active part in the decisions and actions that affect one's life is one of the major sources of the current crisis not only

in the United States but in many other countries as well. The formation of high-participant community organizations is sometimes encouraged and aided by central authorities; at other times, it is a more spontaneous process. Students battle for a voice in the management of change in universities, workers wish to take part in the management of industries, neighbors organize to improve conditions in their own communities. Participant planning has been raised to quasi-corporate levels only in a few cases, as in Yugoslavia and perhaps Israel. The worker-controlled industrial trust is still a rarity, and the national confederation of neighborhood councils that has been under discussion in Chile has yet to be created. Nevertheless, the general trend appears clear. With the passing of time, an increased volume of planning will take the form of transactions between corporate and participant structures. Bureaucratic, hierarchical controls imposed by central authorities are no longer acceptable. On the other hand, the extreme dispersal of power among very large numbers of participant units leads to their impotence and makes it imperative that they be brought together into larger, self-managing corporate systems. A small participant unit in society may be able to block a local action, but in most cases, it will be unable to influence its immediate environment in any positive sense. Strength sufficient to influence policies on a continuing basis is attained only through active participation in the management of corporate affairs.

The model that emerges from a consideration of the probable connections among planning styles is that of an "active" society which articulates its own objectives and guides the course of its development by employing a scientific-technical intelligence to the maximum extent possible. In this model, the activities involved in societal guidance are no longer the prerogatives of a small elite, whether it be democratically elected, hereditary, or maintained in power by brute force. They engage an active minority (and possi-

bly even a majority) of the total population for whom the processes of governance and guidance are inseparably a part of life.

Summary

It is my intention in this book to lay the foundations for designing guidance systems appropriate to the conditions of America in the remaining decades of this century. In the present chapter, I started by drawing a basic distinction between allocative and innovative forms of planning. Although innovative planning will generally predominate in a developing society, both forms are necessary and depend upon each other for their effectiveness. Pure system maintenance will result in stagnation; pure innovative activity—without the balancing effort made possible by allocative planning—will lead to increasing disorder.

A further refinement was then introduced with a discussion of the styles of allocative planning. A typology of planning styles was evolved, using the distribution of power in society as the principal criterion. Viewed abstractly, each of the resulting styles forms a part of a composite design for societal guidance. The most probable relations of such a system were shown graphically in Figure 2. A number of important questions, however, remain to be resolved. Among them are the following:

1. What institutional arrangements will establish effective connections among the different styles of allocative planning?
2. Should any particular planning style have preference in the overall guidance system of society?
3. How may a scientific-technical intelligence be linked effectively to each style in the guidance system?

4. How may the learning capabilities of the entire guidance system be enhanced with respect to its environment?
5. How may the guidance system's stability be assured under conditions of multiple internal and external stresses?

Much preliminary work remains to be done before we can return to consider these questions. Specifically, there is a need to look at planning as an adaptive process within the broader context of societal relations. The design of a guidance system that includes planning must be attuned not only to the conditions of power, but also to those of valuing and knowing in society. Since we are primarily interested in guidance systems for America, we now must take a closer look at some of these conditions.

Sources of Domestic Policy Initiatives

RICHARD M. PIOUS

A policy initiative is more than a change of mind; it is also a proposal for authoritative implementing action by the government. It is a serious attempt to move the nation in new directions, rather than simply a rhetorical flourish or a tactical ploy. It is a political decision to take an innovation and gear it to action channels, such as the legislative or budgetary processes, and to apply pressure to move proposals in these channels. In short, it is an attempt to make things happen.

For the bureaucrat, a policy initiative is more than a routine decision and more than an incremental adjustment in standard operating procedures. It is a set of new programs whose adoption would have significant organizational consequences: a break in standard routines, an addition to existing repertoires, a change of jurisdiction or mission for one or more agencies, and possible changes in prospects for advancement.

At the outset it is convenient to distinguish two general types of policy initiative, first-stage and second-stage, because, whether in the executive or the legislative branch, they are associated with quite distinct types of political impulses and processes. First-stage initiation occurs after processes that include the discovery and accumulation of new factual information (through data collection, experimentation, random search, or extrapolation and prediction), novel analytical insights, and invention of new techniques for collective action. Once innovations developed through these processes are taken seriously by administrators and legislators, first-stage policy initiation has begun. Second-stage initiation occurs through feedback from existing government operations and is derived from information gathered through audits, legislative oversight, and internally or externally generated evaluations of agency performance.

This essay focuses on the sources of domestic policy initiatives and deals with two issues: first, the changes that have occurred in the capacity of the executive and legislative branches to take policy initiatives; second, the conditions under which such initiatives are primarily first-stage (emphasizing innovation) or second-stage (emphasizing efficiency, due process, and other procedural values).

The President as Initiator-in-Chief

The president's constitutional duty to "give to the Congress information of the state of the Union" and to "recommend to their consideration such measures as he shall judge necessary and expedient" finds its statutory counterpart in legislation that directs the president to develop programs for congressional consideration. He must submit a budget, an economic report, a manpower report, an environmental report, and numerous others. Even more important than these official requirements is the custom, developed since the New Deal and fully institutionalized by Truman and Eisenhower, for the president to introduce a program at the beginning of each congressional session based on the messages he must deliver and on special messages accompanying drafts of legislation.

There is nothing in the constitution, the laws, or the customs of the national government that compels the president to exercise these powers to fit his own purposes. But there are several reasons why a president might wish to become initiator-in-chief. First, he may view innovation as good partisan politics: if his electoral coalition includes blocs committed to social change, his proposals may be payoffs for his followers. Second, he may find it to his tactical advantage to define and present his own program, for that way he asserts himself both as party leader and manager of the executive branch. He may steal proposals from either party, from the departments, or from interest groups, thereby gaining the reputation of Great Lawgiver. Third, a president may wish to take the initiative in order to forestall or upstage a more comprehensive program from being developed by his opponents, especially if his proposal embodies the symbols rather than the substance of the innovation. Fourth, a president may find interest groups from both the private and public sectors (including the more than five thousand research institutes, foundations, and university centers) offering him their ideas, and he may be receptive to some of these ideas because as he demonstrates the ability to define national problems and propose solutions for them, his reputation and effectiveness as a politician in the Washington community increases. Finally, in a time of national crisis, a president may respond to demands for change in order to minimize social disorder or potential class or group conflict, or simply because people generally, and the media particularly, look to him for "leadership." His proposals for the temporary

redistribution of wealth or income in this case are essentially conservative, relating primarily to his responsibilities as chief preserver of the public order—once known as “domestic tranquillity.”

But no president finds all these factors maximized in his administration. Not all presidents are elected by a coalition demanding innovation in domestic programs; it is a myth that a presidential electoral coalition must be urban-centered, liberal, and committed to reconstruction of central cities and redistribution of wealth and opportunity. The reality is that party identification and group identification as factors in determining voter choice have weakened; that voting blocs’ seeking distributive payoffs may be smaller than a “new majority” of heterogeneous voters whose “message” to politicians involves a deep-seated mistrust of social innovation and large-scale distributions to the losers in American social and economic competition.

Not all presidents have paid attention to domestic programs. For several presidents, diplomacy and military adventures crowded out domestic concerns. Some recent presidents, faced with hostile legislative majorities and a bureaucracy for which they had no empathy, did not care much for their reputation in the Washington community and did not try to lead bureaucrats to bigger and better things. These presidents did not always prefer to accommodate officials or interest groups in their requests for the application of technological or social inventions. In short, not all presidents have cared about domestic policy initiatives or cared enough about them to exert the effort required to move them through the legislative and budgetary processes. In such cases, department secretaries and bureau chiefs were on their own, subject to obstacles if not vetoes in the Executive Office of the President.

Finally, a president faced with a major systemic crisis might rely on already existing, built-in stabilizers, such as welfare, social security, unemployment insurance, food stamps, and private sector benefits. With these payout mechanisms already in place, a major recession or even a depression may not pose the immediate threat to social stability that prompted many New Deal measures. The president may suggest minor modifications in the distributions, such as a small tax rebate or tax cut, a social security bonus, or an extension of unemployment insurance. Incrementalism then replaces policy initiation.

The orthodox analysis of presidential-congressional relations, at least since the New Deal, has emphasized incentives for the president to initiate the important programs. Political scientists and historians (especially those who once worked for presidents) have argued that a primary role of the president is initiator-in-chief, that his policies are in “the public interest” since he is elected by a national constituency, and that the president, by virtue of both his electoral majority and his unique perspective, is the only man (in the only government institution) who

can develop a viable, comprehensive, rational program. Some commentators, in the heyday of the New Frontier and Great Society, even argued that Congress should reform itself (i.e., get out of the president's way) by deemphasizing its legislative role and concentrating instead on oversight of administration. In effect, a new form of separation of powers was being proposed—the president would legislate, and Congress would have both a veto power and a significant input into the administrative process.

The characterization of the president as initiator-in-chief provided interesting dramatic narratives (especially in the histories of several Democratic administrations), and the proposals to end the "obstructive" role of Congress in the legislative process seemed attractive at the time, although they remind one of Theodore Roosevelt's passionate wish to be both president *and* Congress for just one minute. In any event, neither the narratives nor the proposals were grounded in an adequate understanding of the limits of the presidency as initiator of domestic programs.

Even the so-called institutionalized presidency cannot overcome the separation of powers, for the large White House Office and the several presidential agencies that preside over the bureaucratic-scientific-intellectual alliances provide the president with neither the expertise nor the political resources necessary to maintain the role of chief initiator. A closer look at the Executive Office of the President may dispel the illusion that the presidency has become institutionalized, or that these agencies are any substitute for electoral mandates and effective party and popular leadership. (At times it may make more sense to consider institutionalizing the incumbent rather than the office.)

One action channel of the presidency revolves around the Office of Management and Budget (OMB)¹: bureaus submit proposals for legislation and budget justifications to departments, which in turn submit a budget and a departmental list of legislative proposals to the OMB. This presidential office prepares the president's budget requests for each fiscal year, and its "legislative clearance" enables the president to cull from departmental requests a "presidential program" to submit to Congress. To some extent the routinization of policy initiation has little to do with the president himself. The OMB goes into business for itself on most of the president's programs, especially requests for incremental changes. But its role in preparing major new first-stage initiatives has been undercut in recent administrations by White House staff assistants, working with task forces, presidential commissions, and the departments. To end the friction between the OMB and presidential staffers, an attempted division of functions was inaugurated in the Nixon administration;

¹ Until 1970 the Bureau of the Budget.

the OMB was given primary responsibility for implementation and program management studies (as well as preparation of the budget requests) but policy initiation was deemphasized. Its role in policy initiation has become second-stage, based on its management studies of the operations of various programs that it monitors.

Since 1970 the preparation of new presidential initiatives has been a responsibility vested—at least in theory—in the Domestic Council, an interdepartmental committee comprising most of the cabinet and several of the important independent line agencies with a presidential deputy in the chair. The description of the council provided in the *United States Government Organization Manual* is somewhat ingenuous: “The purpose of the Council is to formulate and coordinate domestic policy recommendations to the president. The Council assesses national needs and coordinates the establishment of national priorities; recommends integrated sets of policy choices; provides a rapid response to presidential needs for policy advice on pressing domestic issues; and maintains a continuous review of on-going programs from a policy standpoint.”

No one believes that the council does any of these things to a significant degree. In the Nixon administration it was primarily a clearing-house for departmental proposals to the president, a buffer to keep cabinet secretaries from the president, and a source of staff patronage for John Erlichman. It had plumbers but not policy analysts. At best, it reviewed particular proposals sent from the departments on an ad hoc basis.

In the Ford administration the staffing and direction of the council has been turned over to Vice President Rockefeller. It is too early to assess the significance of this development, for it may simply be a passing accommodation to keep a particular vice president busy. Certainly the council arrived in the institutionalized presidency about a decade too late to play an effective role in policy initiation. Had it been established in 1961, at the beginning of the New Frontier, such a council could conceivably have been instrumental in coordinating departmental proposals and might have performed the functions of the ad hoc task forces used by both Kennedy and Johnson. But by 1975, domestic retrenchment in all fields except energy research has decreased its importance. Recognizing fiscal realities, Rockefeller has oriented the council toward long-range planning—a function that has never been adequately developed in the presidency. Drawing on its own resources, contracts for studies awarded in the private sector, and the prior work of Rockefeller’s Commission on Critical Choices, the council has begun to provide the president with a different perspective in assessing domestic priorities.

At the same time, the new role for the council provided the administration with an excuse to hold up program proposals, especially in health care, housing, and income maintenance. Planning is legitimate if there is a serious intention to follow up with detailed proposals and if there

is an "institutional memory" so that a new administration might take advantage of the planning done by its predecessor. The OMB, for example, provides the president with such a "memory" in the budgetary process, because of the outlook and professionalization of its permanent staff. It is not clear that the highly politicized staff of the Domestic Council (and its lack of permanent officials) can provide an administration succeeding the present one with either a smooth transition or a set of policy initiatives. A new president is likely to clean house and create a new staff structure to go along with a new cabinet. The paradox is that the longer the planning perspective of a presidential agency, the more likely it is to be subject to the discontinuities imposed by the succession of a new administration.

Another presidential system for policy initiation relies on the nexus between the assistants of the White House Office and the experts from the departments, the national commissions, or the task forces. Presidential staffers can serve as a conduit for outside interest groups (or a buffer between them and the president), or as a "back channel" for bureaucrats, providing access to the president for officials with new proposals. While the memoirs of assistants such as Sherwood, Schlesinger, Sorensen, and Safire tend to emphasize the contributions of these assistants (especially the speechwriters), the outside observer may be pardoned for a more skeptical assessment.

The White House Office has grown from the three assistants Hoover acquired to the six accompanying creation of a formal office in 1939 to the more than five hundred used by Nixon and Ford. But most aides have been used for speechwriting, press and media relations and oversight, congressional liaison, national security affairs, internal management, and advance work. Few aides have been equipped by training or intellect to be policy analysts. Of those who dabble at being domestic guardians, most have been literary historians or journalists who qualify as "generalists" (i.e., people ignorant of the technical aspects of the issues but conversant with the president's passions, prejudices, and policies), or lawyers who have a trained incapacity to deal with many social policy areas. The economists, systems and operations analysts, engineers, statisticians, and social policy planners have rarely if ever been seen in the White House precincts in recent years.

But the staff of counsellors and generalists may play a role in policy initiation. Aides may provide the president with information from task forces, such as the forty-five arranged by Joseph Califano for Johnson or the seventeen organized by Charles Clapp and Arthur Burns for Nixon. Dinners may be arranged so that the president can converse with people who are specialists and can discuss a subject in some depth. The staff can bring innovations directly to the president, in effect "lobbying" him on behalf of certain constituencies, as many speechwriters have done.

Finally, the staff may take sides in bureaucratic struggles, and the fact that an assistant may have the last word can sometimes prove decisive—a recent example being the influence of the presidential staff on Ford's decision to sign the tax legislation of March 1975.

The newest method for developing initiatives in the institutionalized presidency is the use of the "supersecretary." In 1971 Nixon named several department secretaries (and the director of the Office of Economic Opportunity) as presidential assistants. Later the assistant for national security affairs, Henry Kissinger, was named secretary of state as well. The purpose of this innovation was fourfold. First, Congress had refused to consolidate the departments as the administration had requested, so Nixon was accomplishing by executive order (and later by the nomination of Kissinger) part of what Congress had refused him. Second, the reorganization was intended to reduce the number of secretaries who reported to the president. Third, it was intended to end friction between the cabinet secretaries and the presidential assistants, particularly when the secretaries were thwarted in trying to bring proposals to the president's attention. Fourth, it was to aid in developing comprehensive proposals, since the secretaries who were named assistants were told to coordinate the proposals of other secretaries and agencies, and since they were given White House staff assistance (and in some cases became directors of White House councils). In short, a hybridization between the secretary and the presidential senior assistant was developed: the supersecretary, who would preside over multiple sources of policy innovation, including departments, task forces, and councils, and would determine when the presidency would assume the role of policy initiator.

The disintegration of the Nixon administration destroyed this innovation, which had virtually placed the domestic presidency in commission. Only Secretary of State Kissinger continued as a presidential assistant—other secretaries retained as such were no longer aides nor directors of the various councils (the most notable casualty being the secretary of the treasury, who in 1975 presided over but did not direct the Economic Policy Board.) Once again a three-cornered competition reasserted itself, with department secretaries, presidential aides, and council or staff directors, each attempting to jostle others away from the president's door. The chaotic conditions under which innovations were debated and initiatives taken continued in the Ford Administration—euphemistically called an "open presidency."

But one should not place too much blame on the institutionalized presidency, just as one should not give it very much credit. Its condition is generally more an effect than a cause. The independent variable is not staff organization, but rather the attitude of the president toward the role of initiator-in-chief. Recent presidents have simply not grappled effectively with domestic problems. Both the Johnson and Nixon admin-

istrations ignored the central recommendations of several national advisory commissions (including the Commission on Civil Disorders, the Commission on Rural Poverty, the Commission on Campus Unrest, the Commission on the Causes and Prevention of Violence, the Commission on Marijuana and Drug Abuse, and the Commission on Obscenity and Pornography). The Nixon administration virtually abolished the science advisory structure created in the institutionalized presidency, including the position of science adviser and the Office of Science and Technology. In its first budget the Ford administration restricted initiatives to energy-related policies, continuing the trend set in the later years of the Nixon presidency.

Several factors contribute to the deemphasis on domestic policy initiatives by the presidency. In the New Frontier and Great Society years, planners assumed that the new programs would be funded from full-employment surpluses. Even after the involvement in Vietnam, many bureaucrats pinned their hopes on the so-called peace dividend that would free massive funds once the fighting ended. The illusions evaporated even as the military forces withdrew.

The appearance of massive full employment deficits (and even larger "real" deficits) forced policy initiators into a zero-sum game. In the absence of a major systemic crisis such as depression or urban violence, a president may sidestep the bitter social struggle involved in redistributive politics and concentrate on other issues. He may emphasize control of inflation rather than innovation in social services.

Second, many of the social programs of the New Frontier and Great Society, extended and at times even expanded by the Nixon administration, have high costs and uncertain benefits. A rational strategy for an administration is to maximize innovation only when costs can be controlled and when the certainty of the discovery and invention processes indicates high ultimate payoffs. As a result, the Ford administration has thus far committed itself only in the area of energy policy, conducting research and development by the new Energy Research and Development Administration.

When payout is high and payoff uncertain, understandably the president may prefer to innovate in a procedural context (emphasizing PPBS budgeting, management by objective, or other techniques), an organizational context (by promoting departmental consolidation and regionalization), or a federal context (New Federalism with its emphasis on general and special revenue sharing). While process rather than substance is stressed in times of fiscal austerity, second-stage innovation designed to cut "waste" can be emphasized. Meanwhile, presidents and their aides can exhort social and natural scientists to return to the drawing boards and provide innovations with greater certainty of payoffs. The president, in short, becomes curtailer-in-chief.

Congress as Innovator-in-Chief

Article I of the Constitution anticipates that the legislature will play the dominant role in domestic policy making. Both the many enumerated powers and the "necessary and proper" clause are affirmative grants, checked only by the president's suspensory veto. Congress may decide to act on its own, delegate its powers to the president, or wait for the president to take the initiative. Attitudinal and institutional pressures make the latter course more likely.

The local orientation of legislators induces them to concentrate on constituent services, private bills, porkbarrel measures, and district-oriented legislative oversight, at least until growing committee responsibilities impress them with the concerns of broader constituencies. For senators and representatives the expenditure of resources necessary to innovate may be greater than the anticipated return on investment; the opportunity cost, especially for senators with higher ambitions, may be too high to pay. By requiring the president to initiate the national agenda, and by relying on the innovations that arrive from the departments and agencies, the legislators avoid start-up costs and can then play a reactive role that better suits their interests.

But in no sense is Congress a rubber stamp for a presidential program. Whig precedents die hard; Congress still assumes that the legislature disposes of what the executive branch proposes. Even after the submission of a presidential program, Congress may retain the function of innovator-in-chief. First, it may reward the coalition of voters for the majority party: in the case of a split government, congressional Democrats become the major factor in the payoff to the urban-oriented and agricultural constituencies. Second, to the extent that bureaucrats and lobbyists cannot gain access at the departmental and presidential levels, they may make or support "end runs" to Congress to press their proposals. Even in an administration committed to innovation there is bound to be some bottlenecking of proposals, simply because there are thousands of program managers sending messages through the system and only a few White House aides and one president who can handle the "appeals" from proposals turned down or pigeonholed by the OMB or the Domestic Council.

But the most important factor in congressional policy initiation is the internal structure of the House and Senate, particularly the committee system. The standing committees, with fixed jurisdictions, whose leaders serve on the basis of seniority rather than at the pleasure of either presidents or party caucuses, have become autonomous vehicles for policy initiation. The expertise of their members in the House and the political ambitions of their members in the Senate provide committees with the incentive to engage in substantive policy making. Their influ-

ence over a bureau's statutory base, funding authorizations, appropriations, personnel policies, and organization provides the corresponding incentive for officials at the bureau and departmental levels to work closely with committee leaders in developing new proposals.

Except in times of crisis, the action channel for consideration of new programs by Congress passes through the committee structure. In hearings or at informal sessions, program officers and lobbyists press their claims. Often staff members become policy entrepreneurs and develop ties with officials, lobbyists, or persons engaged in discovery and invention. The committees have an institutional memory because senior staff members and senior legislators often serve for many years and therefore innovations can be kept under consideration through many sessions of Congress by holding hearings or issuing reports. The alliance between policy entrepreneurs, bureau officials, and committee leaders, often referred to as the "permanent government," leads to two familiar scenarios: either a president preempts the alliance and makes its proposals his own, or a leading senator or representative challenges the president by making administration inaction a major issue in national agenda politics. Most often the *innovation* has come from the permanent government, whether or not the *initiative* began there.

The role of the permanent government in policy innovation has been strengthened by several recent developments. First, the committee staffs have been enlarged as a result of the Legislative Reorganization Act of 1970, and to some extent they are becoming professionalized. There are more policy analysts and policy entrepreneurs (staff members who press for innovations that they favor), and some staffs play a key role in policy initiation—especially those of the Joint Committee on Internal Revenue and Taxation, the Joint Economic Committee, the new House and Senate Budget Committees, and the Joint Committee on Atomic Energy. Second, the 1970 act provided that committees could contract out for technical reports, particularly to such groups as the National Academy of Sciences (and its Committee on Science and Public Policy), the National Academy of Engineering, and the National Academy of Public Administration. Third, committees have begun using computers in policy analysis. The Banking and Currency committees used computer models for proposals to stimulate the housing industry and for suggestions to the Federal Reserve Board on monetary policy. Fourth, congressional committees have been expanding their role in second-stage policy initiation based on legislative oversight. To assist the oversight subcommittees that were created to implement the House Committee Reform Amendments of 1974 (and to implement the Intergovernmental Cooperation Act of 1968, which requires quadrennial review of intergovernmental categorical grant programs) the General Accounting Office has created the Office of Program Review and Evaluation, which can recom-

mend changes in programs to congressional committees. The GAO has also been playing a role in the second-stage policy initiation regarding the general revenue sharing program.

The "pooled resources" of Congress have also been strengthened and put to work for the committees. The Congressional Research Service (until 1970 known as the Legislative Reference Service) has expanded its staff of policy analysts and has developed several computer models of use to committees in dealing with economic matters. The Technology Assessment Act of 1972 created a new congressional resource, the Office of Technology Assessment, to help committees deal with the scientific and technological aspects of legislation. The OTA in 1975 was working on continental shelf and oceanic development proposals, options for solar energy, urban mass transit, and food aid to foreign nations. If ever the argument could be made that Congress cannot take the initiative on issues that are technologically complex, the OTA should put the issue to rest.

Passage of the Congressional Budget and Impoundment Control Act of 1974 may have an impact on the process of policy innovation. This act created two new budget committees, each of which has a professional staff and several policy analysts, such as Nancy Teeters, formerly of the Brookings Institution and the Congressional Research Service, now staff director of the House committee. Each committee, in turn, is to be assisted by the Congressional Budget Office (CBO) which is required to submit a report analyzing the president's budget by April 1 of each year. In a general sense the CBO is to do for congress what the OMB does for the president. If the past performance of its director, Alice Rivlin, and its associate director, Robert Rieschauer, is any guide, it will probably play a large role in defining program alternatives for both the budget and the substantive committees. Utilizing computer models of the economy developed by Data Resources, Inc. (which may be supplemented by the models developed by Chase Econometrics, Inc. or Wharton Economic Forecasting Associates), the budget committees have begun to develop their own antirecession proposals in reaction to Ford's budget for the fiscal year 1976. Whether any of the initiatives proposed by the CBO or new budget committees will have an impact on the standing committees (especially appropriations) was, in mid-1975, an open question. The answer may be known only after the system operates fully on the 1977 fiscal year budget or later.

The orthodox generalization that the president is both chief initiator and chief legislator is simply wrong. Congress has taken the initiative on many pieces of major legislation, such as social security, collective bargaining arrangements, public housing, atomic energy, the space program, the environment, and manpower training. The very organization of the institutionalized presidency is often shaped by Congress.

Legislation specifies the National Security Council, the Council of Economic Advisers, the Council on Marine Resources and Technology, and the Council on Environmental Quality, whatever use the president makes of them. In only a few domestic areas, such as civil rights and antipoverty legislation, have presidents played the leading role in policy initiation. And even in these fields Congress eventually dominates the process. Voting rights were protected by an extension of legislation in 1970 over the opposition of the administration and in 1975 were being significantly modified to expand rights—again over administration opposition.

The pace of congressional policy initiation has increased during the Ford administration. Tax proposals were completely reworked by the committees, which not only changed the distributive thrust, but also introduced regulatory measures. Other recent initiatives coming from the legislature include pension reform, regulation of campaign finance, environmental and consumer protection, and antirecession measures.

The problem is not lack of congressional initiatives, but absence of coordinating mechanisms that can develop comprehensive programs. Separate energy proposals, for example, have come from the Democratic Advisory Council, the House Democratic Task Force on Energy, the Senate Democratic Task Force on Energy, the Democrats on the House Ways and Means Committee, and the unpredictable freshmen Democrats. How to provide for some coordination and some setting of priorities that take into account fiscal realities is still the crucial problem for the legislature.

As of mid-1975 there was little reason to believe that the congressional Democrats could solve the problem. There is always the possibility that the caucus, especially its Steering and Policy Committee, might develop a legislative program, since under the rules it may make "recommendations regarding party policy." Its January 13, 1975, proposals on energy and the economy were vague and resulted only in competition between committee leaders. In the Ninety-fourth Congress the committee structure rather than the caucus has continued to be the major action-channel. The Democratic caucus rules that provide for voting by secret ballot for committee chairpersons (and that resulted in the defeat of three chairpersons in 1975) might force some committee accountability to the caucus. But at best the caucus will exercise some restraint on irresponsible leaders—the scent of Cannonism still inhibits the leaders from a forceful attempt to centralize power and create a cohesive Democratic legislative party.

Conclusion

Economic as well as political conditions in the 1970s favor a larger role for Congress and a diminished role for the president in the process of domestic policy initiation. This promises to remain true because most

innovation will be incremental rather than comprehensive and because much of it will be second-stage, based on legislative oversight.

To the extent possible in the context of deficits, future program innovations are likely to be adopted through some redistribution of wealth, which may take several forms. First, additional spending coupled with deficit financing may lead to inflation and higher interest rates as the debt becomes monetized. Second, the money costs of new regulatory initiatives for consumer protection and environmental protection (one might also include pension reform, occupational safety, and affirmative action programs), if not offset by increased productivity, will increase prices. Third, direct redistribution through the tax or entitlement or welfare programs will also find supporters.

In each of these forms, Congress is suited to play a major role. First, it still considers expenditures separately from revenues, and it has not yet taken full responsibility for fiscal policy. It may prefer to act programmatically on new legislation rather than in terms of fiscal policy, in which case the big losers will be the House and Senate budget committees. Second, committees have been taking the initiative in legislation to regulate the production of goods and services, and have made such legislation a part of coalition payoffs in the electoral process. Third, tax and entitlement programs have traditionally been controlled by committees.

In the context of full employment deficits, both the Nixon and Ford administrations emphasized second-stage initiatives and made incremental cuts at the margins of social service programs. It is not clear how much this might change if a Democratic president assumed power in 1977 and put an end to the eight year pattern of split government.

Republicans had to face Watergate, but in 1977 Democrats might face a watershed: the party may have to develop new kinds of payoffs to its voter coalition. A Democratic president could either press forward with budget-busting redistributive initiatives and face the inflationary consequences or he might emphasize payoffs on social issues, such as a slowdown in busing, ending the federal role in birth control and abortion, a new crackdown on crime and pornography, and an increased emphasis on women's rights.

A rather gloomy long-term assessment of the prospects for meaningful innovation in domestic policy seems in order. No policies are truly "domestic" any longer, for decisions about population growth, standard of living, investment and production, and levels of pollution, affect to some degree life-chances for peoples elsewhere on the globe. If indeed mankind is approaching the earth's carrying limits, it will be necessary to take steps now to slow down exponential growth rates and develop a dynamic equilibrium for a restructured world economy. There is no indication that either the executive or legislative branch is sufficiently prepared to relate domestic goals and innovations to the necessary international initiatives.

So far the legislature has rejected proposals for a joint committee on national policy planning, for a presidential council of social advisers, and for a joint committee on the social report. There is no institution or set of institutions (with the possible exception of the Domestic Council) that might attempt to relate present policy initiatives to the problem of exponential growth on the basis of what the Club of Rome has referred to as the world *problematique*. In a sense, the absence of heightened awareness of what the present economic situation is really all about is truly an American *problematique*—one that at present seems without solution.

PART IV

INSTITUTIONAL CRITIQUES AND PROPOSALS FOR CHANGE

TOWARD A PLANNED SOCIETY

From Roosevelt to Nixon

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Richard Nixon, 1969-1974

The year 1968 was a febrile time for Americans, with unsettlement at the center and apocalypse at the edge. The political system at the end of the year brought Richard Nixon, the old nemesis of liberalism, to the Presidency. The consequences for the faltering, much-criticized political economy promised to be substantial. The President-elect was associated with the middle-to-Right zone of his party's opinion, with his sympathies running more Right than middle. He and those attracted to his candidacy had a long-standing grudge against the government they were about to control. It had been doing too much since the 1930s. Nixon had held this view for years, and the national experience under the party that so narrowly defeated him in 1960 confirmed his instincts. For eight years after 1960 the country had been fed on promises to end poverty, regain world leadership, command space, eliminate ancient racial attitudes, correct the malfunctions of the capitalist system by government regulation. Instead, there was riot, protest, and discord, much of it a reaction against the Vietnamese intervention, but much of it also produced by gaps everywhere between liberal promise and social reality. Disenchantment reached sufficient intensity to make Richard Nixon the nation's leading presidential candidate in 1968 and George Wallace its third.

With Nixon's election, conservatives had reason to anticipate an early retrenchment in federal activities at home—in particular, less federal economic regulation and an end to Great Society programs that coddled those who had failed in life.

This was a common analysis toward the end of 1968. It ignored much that cut the other way. For one thing, Richard Nixon was by nature an activist. He assumed he ought to be doing something strenuous and backed by high purpose. Until 1968 this predisposition had been satisfied merely by running for ever higher office, but once in the Presidency it might require other outlets. And apart from Nixon's personal inclinations, American society was caught in a set of social problems that showed every sign of worsening in the 1970s. More demands would be made upon the national government, not fewer, regardless of what man or party claimed the Presidency. Then there was the memory of John Kennedy, which every study of Nixon (perhaps especially Gary Wills' *Nixon Agonistes*) discloses as a shaping influence. There are reports that Nixon envied Kennedy his lofty rhetoric and his image of accomplishment. Nixon's speeches often carried phrases reminiscent of the Kennedy-Sorensen style, usually a touch on the awkward side, and of course always haunted by a secondhand quality. Wills tells us that Woodrow Wilson was one of the presidents Nixon most admired. This was another man of lofty phrase and a definable social program. They were straws in the wind, blowing toward a complex mix of activism and the curtailment of governmental power.

And there were institutional reasons to expect the next president after Lyndon Johnson to gather power rather than dismantle it. We need only go back to John Kennedy. He found the Permanent Government waiting for him in Eisenhower's Washington. A central theme of his presidency had been the effort to control it. We are familiar by now with this problem. Nixon too was greeted by the Permanent Government, a politically neutral, temperamentally evasive, cautious bureaucracy, sprawling beyond his sight and comprehension, anchored to organized constituencies and congressional committees and their

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elderly chairmen. And Nixon suspected the Permanent Government also of being largely Eastern-Jewish-liberal, a mass of resisting material which was 90 per cent bureaucratic inertia and 10 per cent (or more) leaning to the Left. This condition would require of him, as it had of FDR and all the others in that office, the centralization of power into the circle of the White House.

Given this mosaic of pressures and motivations, the Nixon administration could not be what Republican loyalists clearly hoped. From the very first there would be contradictory policy patterns. We will remember that Nixon diminished the role of OEO, and according to the U.S. Civil Rights Commission managed to send some invisible signal to all federal agencies that the efforts to integrate blacks into white society were now to be perfunctory. These currents were early remarked as fulfilling the expectations of retrenched federal power. On the other hand, the President sent down to Congress in 1969 a welfare reform measure so surprising in its benefits to the poor that both liberals and conservatives never managed to clarify their battle lines. Nixon was not at once repealing the Great Society, let alone the New Deal. In fact, he seemed to think that the federal government had domestic responsibilities it had not yet shouldered. This surprising tendency came to the surface in connection with the population issue, inherited from the presidencies of Johnson, Kennedy, and Eisenhower.

By the time Nixon came to the White House the "population problem" was no longer a cause only for cranks. Alarm at the growth patterns of global population had penetrated deeply into the ranks of those elites who ran America's universities, foundations, international corporations, federal government. During the 1960s, while liberal administrations tiptoed an inch or two forward toward an explicit policy on human numbers, the world population grew at an annual rate of about 75 million, and the U.S. population even at its slowing rate of growth reached 195 million at the end of the decade. Environmentally sensitive people had come round to the belief that this expansion should now be opposed. There were not many of these

people in the Nixon cadres, but his administration was not without its own suspicion of unlimited population growth. The John D. Rockefeller, III, type of Republican worried about global starvation and unrest, and there were conservative citizens associated with Nixon's success who reflected that much of the increase in population represented black babies who would go on welfare, commit crimes in the street, and do other things so characteristic of people whom the world did not really seem to need.

Johnson's population committee had sketched a goal for federal policy—family planning services for all women who lacked the resources to secure it for themselves. Nixon might perhaps have left the matter there. The birth control lobby was not to be feared; the Catholic lobby surely was. But Daniel Moynihan, a liberal (and a Catholic) who had thought deeply about the best and the worst in Kennedy-Johnson liberalism, pressed the President to go out in front on the issue. This Nixon did in a July 1969 presidential message on population, the first in history. He asked Congress to create the commission that Johnson's group suggested, and asked that it be assigned to develop population projections and to estimate the impact of an anticipated 100 million increase in the U.S. population by the year 2000. In the interim the President called for more research "on birth control methods" (he actually used those edgy words), and for an expansion of federal family planning activities. It might be said that Nixon's message established a national population Policy, in fact, when it said: "We should establish as a national goal the provision of adequate family planning services within the next five years for all those who want them but cannot afford them."¹ This was a major step away from the unspoken pronatalist policy which had been the operating stance of the government since the beginnings of the Republic. And it was of course a step toward national public control of a basic source of social change.

Later on, when the commission reported, Nixon would stand on the other, the anti-government-intervention foot. Let us come to that, and the circumstances that produced it, in due course.

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Fluctuations in Nixon policy were of course relatively frequent, owing to the conflicting pressures inside the administration, the requirements of the swirling political universe, and the President's philosophic flexibility (shall we call it). Nothing in Nixon's first year so exemplified the administration's active-passive style than the message on the New Federalism. The New Federalism itself was at least doctrinally a recognizable offspring of traditional Republican conservatism. Liberalism, especially the Lyndon Johnson brand, had considerably altered the practice and structure of federalism. National objectives had been thrust upon reluctant state/local governments with the sweet enticement of money, at a rate that enlarged the size of local governments but noticeably reduced their independence. Republicans thought this one of the Great Society's most pernicious achievements. Nixon promised to reverse the flow of power through revenue-sharing with few strings attached.

This was to be a central theme in his administration, talked about a great deal, occasionally acted upon. The net effect of this thrust has yet to be fully appraised—although it is quite clear that less came of it than was promised. *Plus ça change*. But in September 1969, when Nixon announced the New Federalism, it was rightly regarded as the real beginning of the long-expected Nixon campaign to shrink the influence of the Washington-based government which he headed. When he repudiated the "overly centralized, over-bureaucratized" governmental structure built up since the 1930s, when he labeled the New Federalism as a venture "in which power, funds and authority are channeled increasingly to those governments closest to the people," he rang familiar notes which had been heard in the long wars of opposition since the New Deal.

This, finally, was what Republicanism was all about. Yet as he gave away federal power with some sentences in the New Federalism message, Nixon gathered authority with others. There was the rhetoric of Wilson-Kennedy liberalism, of great things promised: "We stand on the threshold of a time when the impossible becomes possible—a time when we can choose goals that, a generation ago, would have seemed as unreachable

as the moon, and reach them." And "we in America can afford to dream—but we have to put drive behind those dreams. . . . These reforms represent a New Federalism; a new humanism; a new realism. . . . They represent not an end, but a beginning." Perhaps the President had not pondered how promises made by the nation's chief executive, if not carried out by the mayors and governors to whom he now sent bags of money, would devolve back upon himself. Or perhaps he was prepared to do more from Washington than busy himself with supplying the sinews of social intervention to lesser politicians with parochial perspectives. In the speech there were the clear notes of the planner. The President asserted the national need "to command our own future by commanding the forces of change," and offered a curious pledge to make "the first five years of a child's life . . . a period of special and specific federal concern. . . . We have made it our business to fill that void." There was also, there in the early autumn of 1969, reference to "a coordinated system of forward planning of needs and resources" in the White House.²

Thus the New Federalism message gave notice that the Nixon administration was feeling contradictory impulses; it would devolve power, it would also assume and centralize it.

There was more in 1969 to keep Nixon-watchers off balance. How was one to square the conservative past and constituency of the man with the Family Assistance Plan, or the population message of that summer? Eventually there would grow up the view that whenever the administration departed from the negative course of cutting back or ending some social intervention designed years before by liberals, whenever it had "positive" new ideas for government at the federal level, this had to be laid to the influence of Daniel Patrick Moynihan.

For some reason Nixon had been attracted to the articulate, energetic Irishman from Harvard. Some thought it was because it pleased him to have retained a bit of the Kennedy era with its flair. Some thought he kept Moynihan around as a sort of protection against Ted Kennedy, whom he feared as Lyndon had feared Bobby. Whatever the reason, Moynihan was there in

the White House with the short-haired ad men from the West Coast. And while the loyalists Nixon brought with him were finding their bearings inside the sprawling government, Moynihan the veteran, the liberal conservative, was putting together programs. The FAP was his idea, sold to a president essentially without any ideas of his own on the welfare problem. And Nixon was glad to take the initiative to keep the liberals off balance, especially with a program suggested years before by conservative economist Milton Friedman. FAP promised a clean sweep of the old welfare system, and its cost was bearable to a conservative president when he reflected that the money was now to be sent to the poor, not to nosy social welfare experts trained at big eastern universities and comfortable on their \$20,000 a year. In that same year Moynihan managed the President's July population message. He was undeniably the most creative mind in the White House in those early months, and he was hatching initiatives in another area of far more significance than FAP or a population commission. One year after the inauguration he had the words "national growth policy" in Nixon's public mouth.

2

The growth policy debate, as we know, was opened when Orville Freeman began to question the role of federal policy in what he saw as a distressing decline of rural America in the 1960s. As Freeman had quickly discovered, rural growth problems were the other end of urban growth problems, and there the unintended policy consequences were if anything more painful. For the cities, decades of rapid growth had brought overcrowding, housing shortages, noise, crime. Translated into the perspective of many whites who knew how to find their way to the voting booths, urban growth since the early 1940s had meant a stream of black people dismounting from Greyhound buses and trains just in from the South, spreading the ghetto outward toward the city limits, sending whites scattering before

them into the suburbs. Anyone familiar with the history of urbanization in America knows that our cities have periodically—and since the late nineteenth century, almost incessantly—staggered under waves of rural and foreign immigrants. Their histories are a long story of crisis management, the effort to house and transport masses of humans, carry away their wastes, bury their dead, jail their violent members, accommodate their racial and ethnic hostilities. Yet the urban problems of the 1960s seemed more acute than earlier. Cities were recognized as a leading social problem. Much thought was devoted to the subject, and in this way the urban disquiet became a stepping stone toward Planning. For wherever thoughtful people looked at the urban crisis, they kept finding the federal government as an unwitting agent of the disorder.

The trail of federal involvement led back to the New Deal. Thirty years of agricultural policy had abetted a highly capitalized farm economy, and contributed to the flow of 40 million people who chose urban over rural living between 1940 and 1970. While federal farm policy helped fill the cities with white and black people with agricultural skills, federal highway programs compounded urban economic problems by helping affluent whites move their bedrooms and their tax base to the suburbs, and encouraged the cities' worst enemy, the auto. Federal regulatory policy enervated the rail system, federal tax and mortgage insurance policy encouraged single-family suburban residences and exploitative ownership of apartment houses. Federal housing policy shored up segregation. Everywhere one cared to look in law and administration, federal policies reinforced demographic and economic tendencies that were crippling our large and middle-sized cities. Of course, people might well have done just what they were doing even without the impetus of federal policy—i.e., leave Grundy County with the family, rent an apartment in Detroit, buy a six-hole Buick, and start figuring a move to a "better" neighborhood in the suburbs. But toward the end of the 1960s a few alert people began to question whether federal policy had to continue to reinforce trends which brought such painful consequences.

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The Johnson administration addressed urban problems more aggressively than its predecessors, producing what one official called "a blizzard of federal cash."³ This left the issue of policy confusion untouched. Johnson's HUD Secretary Robert Weaver was to say in 1967, at Freeman's conference on growth, that "the increasing concentration of population in our great metropolitan centers is a phenomenon being experienced in all of the nations of the world. Whatever our feelings may be about this trend, there is no evidence available that it is reversible."⁴ This statement expressed some ignorance of European growth policies (which we will examine in due course). It probably also reflected a black man's wariness of the racial antagonisms that might be moving beneath the surface of the growth policy issue. In any event, the acquiescence he advocated would not long be dominant. The Great Society binge of legislation was substantially over by 1966, and in the last two years of Johnson's Presidency the problem of "program indigestion" began to bother the people who had bitten off so much. Freeman's conference was one such occasion, as was the 1968 report of the Advisory Committee on Intergovernmental Relations: "There has been no overall policy regarding the location of urban growth," the committee said, and the government should devise "a comprehensive, long-term policy for urban growth" to prevent congestion and diseconomies.⁵ The report encouraged the growing dissatisfaction.

It might be thought that the Nixon administration would take Weaver's view rather than that of the commission. Were they not conservatives, skeptical of the wisdom and potency of federal intervention to channel social change? Certainly that presumption was deep in the entrails of the Nixon people. But other factors made the administration surprisingly receptive to the suggestions lingering in the Washington air when they arrived that something ought to be done about this growth issue. In Nixon's natural constituency, rural depopulation and black domination of the cities were almost another side of the law and order issue. Such matters most emphatically belonged on the desk of government. And many different meanings could

after all be attached to the phrase, "We need an urban growth policy." To men like Vice President Agnew, who came up the successful trail of life through a string of real estate adventures, the need for an urban growth policy suggested federal intervention to finance the building of new towns and cities out in the tragically undeveloped countryside. In that light, one is not surprised to find Agnew writing an introduction endorsing the 1969 report of the ad hoc National Committee on Urban Growth Policy (a group of mayors and others interested in urban affairs), which recommended federal support for the construction by private developers of 100 new towns and 100 new cities by the year 2000. This was an urban growth policy to bring excitement to many parts of the Nixon circle.

There was yet another way to understand the phrase Urban Growth Policy. Pat Moynihan had concluded that social policy must take a systems approach. Since all parts of urban society were interrelated, the basic error of the Great Society had been the proliferation of 400 separate programs affecting metropolitan areas, without a coordinating strategy or perspective. "Everything relates to everything," he listed as one of the "master propositions" of policymaking.⁶ This being so, federal policy toward the cities—both the direct policies such as model cities or public housing, and the indirect policies such as the highway program—must be meshed into *Policy*. This orderly instinct appealed to Nixon, and his first Executive Order, issued on January 23, 1969, established the Urban Affairs Council under Moynihan with the mission to "devise a national urban policy." "What we have never had is a policy," said the President, probably in Moynihan's words, "coherent, consistent, positive as to what the national government would hope to see happen; what it will encourage, what it will discourage."⁷ The administration had without any hesitation decided to pick up the stray threads of interest in growth policy in the last days of the Johnson administration and bring them into a design.

What happened in the next five years on this subject is still too close for us to sort out with finality the sources of policy change, the cause and effect in the broadening growth policy dis-

cussion. At this distance we may see that several strings were vibrating when the issue of urban growth policy surfaced. One string was procedural; the other substantive. Judging from Nixon's message establishing the UAC and from Moynihan's interesting and somewhat confusing published comment,⁸ what was intended was *an* urban policy to reduce the intolerable cacophony of the 435 separate programs inherited from what Moynihan liked to call Johnson's "Great Barbecue." This would require a policy coordinating mechanism above the competing departments; hence the UAC. Such a marked procedural improvement might reduce glaring inconsistencies and contradictions, might institutionalize a reasonable unity of governmental purpose. If this procedural string were plucked some octaves higher, it sang of the need for Policy; for a *national* growth policy relating rural to urban development, and all in between. The logic of things soon led Nixon to this, as we shall see.

Men who would link "separate" areas into a national whole are dangerously infected with the virus of Planning. But there is no Planning without goals. Whether talking of rural (Freeman, 1967), urban (*Urban and Rural America* [1968], Nixon, January 23, 1969), or *national* growth policy (Nixon, State of the Union Address, 1970), the subject was *growth* policy. To mesh urban policies into Policy, for example, was a procedural and conceptual matter which would not necessarily in itself answer to the problem of "unbalanced" growth. And all the flap was after all about "unbalanced" or painful growth, not growth itself, which of course all Americans admired. The *substance* implicit in the phrase national growth policy was population distribution—and redistribution. Played in a low key, as with Agnew and the notion of new towns, this became an inoffensive and thoroughly un-radical proposal to build more houses for Americans in the tried and true manner, hiring capitalists on government contract. Agnew certainly meant nothing reminiscent of Tugwell's experimental communities of the 1930s, built by the government on force account, publicly owned, and infested with all sorts of collectivist ideas. Played

several octaves higher, NGP meant the deliberate public control of population distribution. It implied development in selected rural areas, and disincentives to discourage settlement in selected urban areas. Hard decisions lay along this path, and cautious politicians could easily imagine the howls that would come from communities where NGP decreed that growth be discouraged, or the terrific lobbying pressure from communities desiring to be on the government's "growth encouraged" list. The conflict would be greater than that over major defense contracts; indeed, would subsume it. Every instinct in the seasoned legislator worked to keep such policy impacts and decisions submerged, fragmented, lest interest groups become more mobilized and excited than they were already.

Thus the issue Nixon picked up from the tag end of the liberal era had implications which might not have been fully perceived in the White House in 1969. Urban growth policy led irresistibly toward national growth policy, and any kind of growth policy implied a more explicit grappling with the issue of where people were to live than had ever been dared. Moynihan liked to point out that the country already *had* a national growth policy; it was the Highway Act of 1956. Of course it had others. Every time a fighter contract was awarded, or a part for a rocket, or a change in the import quota for sugar, that was a growth policy. But such decisions were taken apart from any larger context where they might attract undue attention and controversy. An explicit NGP held dynamite for the administration that must fashion and defend it. It threatened all the comfortable arrangements by which the Congress and executive agencies made decisions on housing, public works, defense contracts, transportation, welfare, education. Suggestions for change would rouse sleeping enemies.

In a demonstration of remarkable bravery, the Nixon administration pressed ahead on the issue. Moynihan again supplied ideas and impetus. He was convinced that the main business of the Nixon administration should be to lead the way from the scattered and multitudinous social programs of the liberal

era toward consolidated policies conceived and applied in systemic terms. "We are moving from program to policy-oriented government," he wrote in 1970, and "the idea of policy arises from the recognition that the social system is just that, a system. . . . In a system, everything relates to everything. If one part is changed, all other parts are affected. It thus becomes necessary to think of the total effect, not just the partial one."⁹

A self-evident truth, but one honored in the breach in Washington. How was the new administration to observe it? Moynihan's first idea had been the UAC, to coordinate all urban policies. His second was to provide a place where social data could be gathered and analyzed, policy choices illuminated, progress toward goals measured. Another hard-pressed public official had rediscovered the merits of the dead NRPB.

A conversation or two with a receptive Richard Nixon, and Moynihan had midwived the National Goals Research Staff, which the President announced in July 1969. It was installed in the White House basement with a fuzzy mandate. Moynihan later explained that the NGRS would undertake social reporting, and in a general way try to "learn how" to look at the system as a whole. Director Leonard Garment understood his assignment more modestly. The group would not set goals for the American nation, and would certainly not be involved in "planning," but would analyze alternatives and stimulate debate. Nixon's own statement upon establishing the NGRS—a statement that Moynihan perhaps wrote—directed it to engage in forecasting, in monitoring social indicators, in measuring alternative courses of government action, in integrating and summarizing the findings of social research. Nixon ordered a report by July 4, 1970, and "annually thereafter, setting forth some of the key choices open to us, and examining the consequences of those choices."¹⁰

All this was very expansive, and in practice would turn out to be a bit muddled. Roosevelt would have found all of it congenial, as the NGRS's suggested functions had to do with enlarging the government's ability to plan in a number of ways. Even LBJ might have appreciated the founding of the NGRS,

as the agency's assignment had Johnsonian qualities of being grandiose, multiple, and poorly focussed. At the very least, four quite different planning functions were expected of one brand new White House unit with no statutory authority: forecasting, social reporting, clarification of goals, analysis of policy choices. Moynihan was right; nobody knew how to do Planning. He had convinced Nixon to plunge in.

On July 4, 1970, the NGRS produced what proved its first and last report, *Toward Balanced Growth*. It was not free of the usual insipidity of government reports on controversial themes, presenting a meandering discussion of subjects such as Technology Assessment and consumerism and offering projections in the areas of health, education, trade, and so on. Progress toward goals was not closely measured, social reporting was not rigorously done, policy alternatives were not seriously addressed, and judging from the intellectual life of the nation in subsequent months, not much discussion was stimulated. Members of the staff admitted, later and privately, to confusion as to their exact mission. "There never was any clear notion of what we were to do. Was it social indicators? Was it long-range forecasting? Was it national planning? We were struggling to define our identity when time ran out."¹¹ The "Germans" upstairs, Haldeman and Ehrlichman, were apparently becoming uneasy about what might come out of the nest of social analysts in the basement. The NGRS never prepared another report.

But *Toward Balanced Growth*, as its title indicates, took the growth policy issue seriously, and ventured an important step. It put the administration on record as a sponsor of NGP. The report considered that "trends toward megalopolis in some areas and under-population in others are reversible," and strongly hinted, insofar as a suffocating bureaucratic caution allowed strong hints to come through, that "a coordinated national strategy" should be devised to achieve that reversal. Weaver stood contradicted.

The fact is that while the federal government has no cohesive population policy, it is continually developing policies that have

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secondary consequences for the migration and distribution of our population:

. . . FHA and VA mortgage insurance, the interstate highway system, federal and state tax policies, state and local land use programs, all contributed to the massive suburbanization of the last 25 years.

. . . Defense contract awards have accelerated the population boom in Southern California and along the Gulf Coast.

. . . Agricultural research and support programs have accelerated depletion of the rural population.

These policies make individually positive contributions to society, but their collective impact may not be desirable from the standpoint of distribution of population and economic opportunity.¹²

These words came from an official group in the very bowels of the White House, on Independence Day 1970. The timing was intended to be dramatic, but the appearance of a document with this thrust was no real surprise by the summer of 1970. For Nixon had given the green light six months earlier. In his State of the Union Address of January 1970, he said:

For the past thirty years our population has been growing and shifting. The result is exemplified in vast areas of rural America emptying out of people and of promise—a third of our counties lost population in the sixties.

The violent and decayed central cities of our great metropolitan complexes are the most conspicuous area of failure in American life today.

I propose that before these problems become insoluble, the nation develop a national growth policy.*

In the future, government decisions as to where to build highways, locate airports, acquire land, or sell land should be made with the clear objective of aiding a balanced growth for America.

If we seize our growth as a challenge, we can make the 1970's

an historic period when by conscious choice we transformed our land into what we want it to become.¹³

It is difficult to tell how much more thought Nixon gave to growth policy after that speech. Moynihan himself became too busy with the struggle over FAP to bring forth the requested urban growth policy, although he was able to publish an article in the autumn of 1969 in which ten likely components were listed. There are some signs that the White House intended to go farther than speeches and hortatory reports. John Roy Price, Moynihan's replacement as the executive secretary of the UAC, told a symposium in 1971 that a Cabinet committee had been set up in 1969 to study "whether or not there should be a national population distribution policy."¹⁴ He at least had penetrated beneath the euphemisms. But he did not say what the committee had concluded. Some months after the NGRS's *Toward Balanced Growth*, Congress took the initiative on the issue and required the establishment of an identifiable unit in the White House to prepare a report on urban growth. The administration was not alone in its interest in growth policy. Some observers suspected that, with Moynihan leaving the government in late 1970, Nixon had done all that he intended to do. For whatever reasons, the next big event in the NGP debate waited until 1972.

But in pondering the matter and deciding in 1969 to speak a few words for urban growth policy and in 1970 a few more for NGP, Nixon had apparently realized the urgent need of reforms in the government's policy-making machinery. He could easily call for growth policy, or population or transportation or energy or communications or TV late-movie policy. But as President he lacked the structural capacity to take a comprehensive view of problems and alternative solutions. The President still needed help.

* One must not make too much of a mere sentence in a presidential address. Nixon, in the same speech in which he called for an NGP, also said: "What this Nation needs is an example from its elected leaders in providing the spiritual and moral leadership which no programs for material progress can satisfy." He never gave us an NGP, either.

3

This is not an easy thought for Americans, may even have surprised ex-vice president Nixon. He had been elected to The Most Powerful Office on Earth. He knew the initial euphoria at the trappings of office—the helicopters and gunboats at instant command, Shangri-las in the Catskills and more lordly retreats west and south, jewels for the wife, state dinners with every culinary delight, ice without holes in it from his specially purchased machine, twenty-one-gun salutes, deference in every cranny. We know that Nixon hugely enjoyed this paraphernalia, indeed put the White House police into fancy suits with a distinctly Prussian Imperial resonance. The imperial Presidency exists, and Nixon's taste for it was well nourished, by all accounts. But Nixon in his workday role soon had other impressions. Even after eight years as vice president, he must have been appalled at the frustrations enshrouding his power.

He found the Permanent Government busy at work when he arrived, burdened with the mountain of assignments left by the Great Society and other less prolific eras. To make any mark on history at all the new President would have to direct that huge bureaucratic machine toward Nixonian ends. A crowd of limitations lengthened the odds against him. He and his circle were sure that the bureaucracy was heavily liberal and Democratic, and, as Special Counsel Harry Dent told Allen Drury in 1971, "this means a Republican administration always has to paddle upstream."¹⁵ There may have been some truth in this, especially in the middle levels of the civil service. The remedy for this problem lay in time, persistence, and leadership. They worried too much about it, and it added to the siege mentality and combative stance that led to later mistakes. But that is another story. Perhaps Nixon might not have taken all of this so personally if he had recognized the element of continuity in the executive's troubles. Given his inner makeup, he did not force himself to study Arthur Schlesinger, Jr.'s, *A Thousand Days*, and probably paid no attention when liberal John Gardner,

upon resigning as secretary of HEW in 1968, said: "I believe that the federal government cannot go on much longer with its present organization of agencies on the domestic side of government. . . . For the past twenty years the problems of overlap and conflict of mission have grown steadily worse."¹⁶

Nixon recognized other and more important limits upon his power. In the simplest sense, too much was going on, too many agencies reported to the President. One might rejoin that most of them were grouped under the Cabinet departments; the President on paper controlled most of the executive branch through those twelve men, his Cabinet. Nixon soon realized that this instrument was useless. At first he seems to have carried over Eisenhower's assumption that the Cabinet ought to have meetings where something important happened. He appointed John Whitaker "Cabinet secretary," but Whitaker found little to do as Nixon let the Cabinet settle into its accustomed torpor. If the President contemplated some programmatic redirection, department heads could be counted upon to narrow his options to those which enhanced existing departmental responsibilities. Nixon was bored with Cabinet meetings, especially so with certain members who liked to talk too long.* Whitaker soon found himself spending a good deal of time arranging White House tours for Cabinet wives.¹⁷

If not the Cabinet, then why not have the Bureau of the Budget take on policy planning and coordination? Roosevelt, denied a vigorous planning board, had pressed the BOB into service to attempt to bring departments and agencies into alignment with the President's program. But the BOB, although a sizable agency with respected expertise, could not be the institutional answer Nixon sought. The agency's coordinating abili-

* Some members made a speech at each meeting, John Ehrlichman related to me, and "finally had to be told politely to shut up." FDR was always impatient with the congenital narrowness of view of the American congressman, and placed his own department heads not much ahead of the congressmen in ability to take a national perspective. Ehrlichman made it clear that Nixon felt the same way. (Interview with John Ehrlichman, December 17, 1974.)

ties, working through legislative and budgetary review, were of some value, but major new departures seemed forever unlikely to come from BOB. And of course major areas, such as monetary or regulatory policies, were outside its purview. It was free of constituency claims and quite loyal to the President, but over the years had become so accustomed to cutting and paring and managerial review that it had no real time or capacity for innovation in policy. It was almost as mired in incrementalism as any line department.

These were old problems, new only to Nixon. Part of FDR's answer was to enlarge (after the 1939 reorganization law permitted it) his White House staff, and successive presidents had done the same. The White House staff totalled 37 people in 1939, reached 53 by 1945, 283 by 1953, 250 by 1968. Nixon's expansion of the White House staff to 510 people by 1973 indicates the intensity of his own desire to have a presidential policy formulation and review capacity independent of the permanent government.¹⁸

Yet numbers alone were not the answer. The remedy, Nixon decided, lay in organization. First he tried Cabinet subgroups—the UAC, a Cabinet committee on economic policy, an environmental council. Nixon fretted under the unsteady flow of paper and ideas. A model lay ready to hand, and soon he noticed it—the National Security Council, established long ago, in 1947. It provided the President with a policy cluster of the agencies interested in defense matters, along with a staff of about 70. The disarray on the domestic side seemed to beg similar handling. Nixon pressed John Ehrlichman, the bright Seattle lawyer whose instinct for order was at least as strong as Nixon's, to devise a domestic counterpart to the NSC, and it was settled upon in early fall of 1969. Ehrlichman's ideas meshed with the thinking of a committee on government organization that had been meeting since April under Litton Industries executive Roy Ash. The result was the Domestic Council, proposed in Reorganization Plan #2 of March 1970.

Reorganization Plan #2 formalized the transfer of policy activities to the White House that had begun with FDR's six

assistants in 1939, leaving BOB, after a thirty-year battle to perform both missions, with administrative functions only. As Nixon said in the proposal, "what we do" would now be clearly separated from "how we do it," the former lodged in the DC, the latter in the BOB under its new name, Office of Management and Budget (OMB). OMB would stress the evaluation of agency performance, suggest improvements in managerial practice, develop information systems and training programs for public officials. It would continue to pursue program budgeting, not through the cumbersome PPB system, which the administration dropped in 1971, but through a new procedure imported by Roy Ash from corporate experience. This was Management by Objectives (MBO), in which all agencies annually listed their objectives and the President selected those to be given top priority. All of this was important work, but there was no way to disguise the fact that that budget office had now irretrievably lost its informal invitation to help the President make policy.

That function now rested with the new Domestic Council, made up of the President, Vice President, all domestic Cabinet Secretaries, and a small number of other officials such as the chairman of CEA. Nixon's accompanying message identified the DC as the culmination of a search for policy machinery that reached back to FDR's 1937 reorganization bill and included the Hoover and Heineman commissions. The council would be more than merely a slightly reduced Cabinet. As Roy Ash explained to a House committee in April and May, it would have a staff like the NSC, and thus provide an "institutional memory." It would operate through task forces assigned to work on matters the President thought urgent—busing, the environment, health, crime, energy, welfare. Ehrlichman, the council's first executive director, was especially pleased with this arrangement. Task forces could include second-level officials who would work hard where Cabinet officers would not; they could mobilize to attack a problem, report, and disband; plenary council meetings would be rare, most of the work being done by flexible subgroups which would presumably never develop bureaucratic inertia. The council as a whole was assigned five specific policy functions:

clarification of goals, development of alternatives, formulation of policy, coordination of policy, and review of policy. Here was the dream of Franklin Roosevelt, a place where things could be seen whole. Not even the NRPB had aspired to assume all the functions of Planning; the council's charter contained them all.

Congress did not greet this strikingly coherent proposal with the joy it would have produced in a convention of professors of public administration, although it allowed the plan to go into effect. For congressmen were less interested in managerial principles than in protecting their own influence over the executive branch. A member of the House Committee on Government Operations asked Ash if the establishment of the DC did not increase the President's independence of Congress, since the new DC director, as a presidential assistant, would not routinely testify before standing committees of Congress as had the heads of BOB and CEA. Ash's answer did not relieve the gentleman's concern. He explained that "we do not believe this is centralizing the governmental process. . . . Quite the contrary." The President, Ash said, intended to delegate more power, but to delegate power an executive must first achieve central managerial control.¹⁹ It was hard to argue with the large, balding, no-nonsense figure of the former president of Litton Industries, chairman of a committee charged to bring the best of modern corporation management methods to the backward corridors of American national government. Congress let the plan go through, with misgivings. Nixon, Ash, and Ehrlichman had devised a proposal so rational to replace a system so inept that the opposition could find no toehold. Unlike Hoover in his reorganization efforts, the DC-OMB plan came with no promise of budgetary savings; only efficiency was promised. This being in so much shorter supply than money, the plan swept through. Soon Ehrlichman was recruiting a staff that would reach about seventy people, presumably a highly expert group, heavy with systems analysts, economists, statisticians, management specialists. Caspar Weinberger told Charles Jacob that the council set to work at once, holding six plenary sessions in 1971 and eigh-

teen in 1972, and having a decisive impact upon the administration's programs in health, welfare, energy, and revenue sharing.²⁰ "Then there's national growth," added a council staff member in an interview with John Kessel; "People aren't saying, 'What's the greatest problem in the country? National Growth.' But that's the sort of thing that he [Nixon] wants something done about regardless of what the public wants."²¹

If these early reports are true, they record an auspicious start for an institution designed to give the President managerial capabilities that had been sought since the 1930s. Whether the DC would actually provide a full Planning capacity or not, the study of goals/alternatives/policy formulation/policy coordination/policy review promised in the March 12 message, was a matter for time and the Nixon people to decide.

4

Nixon and Ash then turned to the rest of the unfinished business from Roosevelt's encounter with administrative reform, and proposed a reorganization plan of their own. The Ash Committee, a sort of institutionalized presence of modern corporation management within the new government, had been appointed in early 1969. In this Nixon was just a step ahead of the liberals. Senators Ribicoff (1968) and Muskie (1969) had both put in bills to establish a new Hoover-type commission. At its peak workload the committee employed 47 staff, and it sent 13 reports to Nixon from August 1969 to November 1970. Based on their work, Nixon in the 1971 State of the Union Address promised an early message on reorganization. The message came on March 25, 1971, and it is hard to disagree with Congressman Chet Holifield that it was "the most far-reaching reorganization of the executive branch that has ever been proposed by a president of the United States."²²

Nixon's message rang notes familiar to the handful of people who knew the tradition implied by the names Brownlow,

Hoover, Rockefeller, Heineman. The President had found the executive branch "a series of fragmented fiefdoms" where "the capacity to do things . . . is exceedingly fragmented and broadly scattered throughout the federal establishment."²³ For example, there were nine departments and twenty agencies involved in education, seven departments and eight agencies in health. This meant not only duplication of effort but diffusion of responsibility, defeating all hope of clear lines of accountability.

The President's answer was reorganization around basic goals. Nixon proposed to abolish seven existing Cabinet departments, and to substitute for them four new ones: the Department of Natural Resources (made up of parts of Interior, the Forest Service, Soil Conservation, the planning and civil functions of the Corps of Engineers, the civil power responsibilities of the AEC, etc.); the Department of Community Development (made up of parts of Commerce, Agriculture, Transportation, and HUD, the Appalachian Regional Commission, the REA, some of OEO, etc.); the Department of Human Resources (most of HEW and OEO, the Women's Bureau from Labor, etc.); and the Department of Economic Affairs (most of Agriculture, Labor, Commerce, and Transportation).

An impressive parade of bipartisan support came forward to urge congressional acceptance. Ben Heineman, who had headed the reorganization study committee for Lyndon Johnson, told a House committee that he found "a great similarity" between the Nixon plan and his committee's views. Johnson's Budget director Charles Schultze was a witness in support of the reorganization, as was Joseph Califano of Johnson's White House staff, who spoke of the "cacophonous confusion" of agencies competing for the President's attention and congressional appropriations. The parade of Democrats included Robert Weaver, Johnson's HUD secretary, John Gardner of HEW, and John Connally, then a Democrat and Nixon's secretary of the Treasury, who told the House committee: "Believe me, the crying need in this government is to consolidate on a functional basis." Support also came from the American Institute of Architects, from an

IBM executive, and a representative of the Chamber of Commerce of the United States. Reorganization, apparently, was neither a partisan nor an ideological issue.²⁴

Roosevelt had found that reorganization was, however, an issue among his own official family of bureaucrats, and he had not been able to get the support of several of them, including the secretary of war. Nixon presented a united administration. Even Cabinet heads whose departments would be dismembered and replaced came down manfully to recommend their own bureaucratic assassination. George Romney of HUD, for example, worried not about HUD but about the Domestic Council, which was bogged down in putting out fires of inter-departmental conflict in the unreorganized system of 1971. In the absence of reorganization, he argued, the DC was "constantly being distracted from matters of high policy by the need to focus on administrative details of . . . conflicting programs administered by scattered bureaucratic units." The new Department of Community Development, which Romney came specifically to endorse, would provide a framework within which most disputes were resolved by the secretary, leaving the DC "to take its intended place alongside the NSC as a presidential instrumentality specializing in policy coordination . . . free from operating chores."²⁵

Every consideration seemed to reflect credit upon the new reorganization plan, every scrutiny of the existing system bared glaring defects. But Nixon learned again what Congress had taught FDR, that a cogent reorganization by function, supported by thoughtful students of public administration and most high-level bureaucrats, was not welcome on Capital Hill. Long-standing arrangements between congressional committees and constituency-oriented agencies were threatened by any reorganization, particularly by one so sweeping. The typical congressman's lack of enthusiasm was matched by organized interest groups who had worked their way to close relationships with their old buddies in the Bureau of Mines, or the Bureau of Land Management, or the Farmers Home Administration—examples of the many agencies that would be rudely uprooted

from comfortable surroundings and thrust into new environments where their merits would perhaps not be appreciated.

The Nixon-Ash theory was that departments ought to be organized for delivery of services. The old organization, while not based on any clear theory, was best justified as an expression of the lobbying or representation concept. Every major group ought to have its department—farmers, labor, business, even oilmen (who enjoyed the helpful support of the Department of the Interior). These groups were not charmed by the proposal for change. Nixon encountered especially stiff opposition from farm groups, and in November 1971 he caved in and exempted the Department of Agriculture from the reorganization. On a revised organization chart he stuck Agriculture up on a little shelf of its own, segregated from the others for some undisclosed peculiarity. Since no rational argument could possibly be made for exempting Agriculture from the new architecture, it was suspected that Nixon might be driven to other compromises. As Congressman Erlenborn asked a triumphant Agriculture secretary Earl Butz when he came to the Hill in January 1972 to report the President's concession, if Agriculture were saved from being broken up just so that angry farmers could retain their very own department, how were businessmen and labor to be reconciled to losing theirs?²⁶ Nixon admitted that he had yielded on Agriculture to gain support in Congress for the rest of the reorganization. Thus he led neither a gallant fight nor a successful tactical retreat. The concession confused the issue and encouraged other groups to resist. Reorganization did not move through Congress, and Nixon went into the 1972 campaign without it.

But he and Ash had spread considerable light. The reorganization plan clarified the irrationality of current organization, and educated those interested in such matters by offering a model for organization around delivery of services rather than traditional interest-group representation. An irritated Nixon in March 1972 told Congress that "the sand is running in the glass, and the hour is growing late, for enactment of a critically needed reform."²⁷ Perhaps never had Richard Nixon said any-

thing more likely to be judged profoundly true by all students of American government, perhaps even by future generations who are likely to remember him mostly for activities of less unerring wisdom.

5

We have sketched the highlights of the Nixon administration's commitment to strengthening the government's capacity for social management. These events must fall into the category of unexpected. Just as it was not anticipated that the most conservative president inaugurated in twelve years would end his first term having increased the federal deficit by \$100 billion, so it was at least as unexpected that this lifetime enemy of federal power would create within the executive branch an institution for policy planning, would send to Congress the most radical reorganization plan in our history, would call for a national growth policy, would appoint a commission on population growth, and suggest a national population policy. Yet he had done all these things in the first term. If there had been anyone in Washington deviant enough to have the word "Planning" in his working vocabulary, these steps would have been identified as steps toward Planning. This startling idea will require more attention. But the focus so far has been too limited. Others were moving in that same direction at a pace that at least matched that of the executive.

The origins of a major expansion of national control over social development, the Environmental Policy Act of 1969, were in Congress. The Act had many sponsors, pre-eminent among them the liberal senators Jackson and Muskie and Congressman John Dingell. The act made it public policy to maintain and restore the environment, and set up institutions—a council (CEQ) and annual report—modeled on the 1946 Employment Act. This apparently went beyond what Nixon thought necessary. He had established the Cabinet-level Environmental Quality Council in May 1969. Congressional environmental forces decided,

probably correctly, that this was a cosmetic move and that Cabinet officers do not solve large problems outside their normal jurisdictions. So they legislated a sort of twin to the CEA, the CEQ. One can think of no legislation which is more squarely based upon the planning idea than the NEPA. It required, as Arnold Reitze put it, that government agencies think before they act, that costs be estimated in advance, secondary effects calculated, and alternatives considered.

Nixon signed this law without public complaint. Still, the administration was generally expected to drag its feet on environmental protection, since it was a traditional commitment of what passed for conservatism in the United States to resist public regulation of the use of private property, to assist private exploitation of resources rather than curb it. Richard Nixon, like his impetuous secretary of the Interior Walter Hickel, surprised environmentalists. He took the offensive, insisted that his administration was leading the public crusade to stop environmental abuse. All of Nixon's annual environmental messages, the reports of his Environmental Protection Agency (established in December 1970 to consolidate the government's anti-pollution programs) and the CEQ, these annually aligned the administration with the cause of environmental control, and presented a long list of legislation which a laggard Congress had not passed. His environmental message of February 15, 1973, for example, reaffirmed an active federal role in the matter, called for national drinking-water standards, requested the opening of the Highway Trust fund for mass transit purposes, supported a national land-use policy act, asked for laws to force the states to regulate the siting of key facilities, requested a powerplant siting law which would establish a "long-range planning process," suggested a federal tax to discourage development of coastal wetlands, criticized the weakness of federal management of public lands, and asked that it be made a federal offense to take the life of an animal of an endangered species. And he reminded Congress that they failed to act on 19 crucial laws to bring these and other controls to the private use of resources.

This was Richard Nixon? Perhaps there was less affront to traditional conservatism here than meets the eye. A definitive treatment of the administration's environmental protection record has not been written, but it may be pointed out that presidential messages are what we say, not what we do. John Mitchell warned Nixon-watchers about that. On the Santa Barbara oil spill, on the cross-Florida canal, on other occasions such as these the administration revealed distaste for interference with economic "progress." And since the country and Congress (to a lesser extent) seethed with what conservative people called environmental extremists—since several of the states and localities had begun to enact very strict controls—it may have been seen the path of enlightened conservatism to steal the fanatic's clothes, enacting moderate national controls before the mob stampeded for stricter local and/or national regulation. Nixon's budget requests for pollution control tend to bear out such speculations. The Clean Air Act was authorized at \$375 million for FY 1972, but Nixon asked for \$167 million, less than the loan guarantee to Lockheed Aircraft. Authorization by Congress for solid-waste programs for FY 1972 were \$152 million, but the President asked only for \$19.3 million, which is only one-sixth of the sum he asked for military assistance for Greece. And he requested twice as much for military aid to Turkey than for acquisition of National Park lands.²⁸

Lacking a definitive judgment, it seems clear that Nixon's environmental record was exceptionally positive and substantial compared to his predecessors; compared to state and congressional inclinations, it seems that he was frequently a restraining influence. Yet if he was driven toward environmental control faster than was his natural inclination, he certainly participated resourcefully and as a self-proclaimed activist in the epochal turning point of the late 1960s-early 1970s when the national government first gained the legal and institutional capability to limit environmental damage.

In 1970 came three more gifts of enlarged authority conferred upon the government by Congress. The Economic Stabilization Act of 1970 thrust upon a reluctant executive the

authority to impose wage and price controls. Control authority was voted by Congress for a variety of reasons, most of them shabby. While a few liberals believed that time for a strong incomes policy had arrived, others noticed that public support for wage/price controls had reached 50 per cent, highest since the Korean War, and if the buck were passed to the President he would bear the blame for not using them or for using them poorly. In any event Congress would appear to have done its duty to stem inflation.

Wage/price controls were one of those rare gifts of power that Richard Nixon did not want. A lifetime in conservative circles had convinced him that controls were bad for capitalism, and his own ten months in the OPA during World War II had left distasteful memories of the bureaucratic empire that controls required. He came into office on a crest of inflation generated by policy decisions—military, fiscal, and monetary—of his predecessor. It was at once clear that he did not contemplate any of the structural approaches to inflation control, such as an incomes policy or anti-trust activity, but would rely upon traditional fiscal and monetary restraint.

Nixon never really found the political courage to hold to that course. Ike thought he would be a one-term president due to a stiff recession brought on by appropriately tough anti-inflation policies. But Nixon thought he had lost the 1960 election largely because 8 per cent of the work force was unemployed, and he would not cut the federal budget sharply enough to produce a recession of inflation-stopping size—however large that might have been. He was especially tender with the defense budget, yet disappointed conservative advisers in not cutting sharply into Johnson's social budget. And so inflation accelerated through 1969, and the administration's hesitant and blurred policies came under attack from all sides. In late 1969 economic adviser Arthur Burns had very reluctantly concluded that a gentle jawboning on price and wage increases was now necessary. It was an incomes policy, but just a tiny, voluntaristic edge of one. Burns was joined by the secretary of the Treasury and others, but Nixon held out until the summer of 1970, when he

announced to an unexcited world that the CEA would issue periodic "inflation alerts" to spotlight inflationary price and wage increases.

This amusing step raised economic uncertainty even further; inflation went on despite considerable unemployment. November elections produced a rebuff for the Republicans. Nixon's economic policies, or "game plan" as he preposterously called it in the beginning, were a political and economic failure, unless one had unusually lenient standards. The President's 1972 re-election was threatened. This menace broke through the President's philosophical convictions—when this happened with FDR, it was usually regarded by liberals as laudable pragmatism—and produced the surprising decision of August 1971. Richard Nixon, under the authority thrust upon him by a Democratic Congress, invoked a 90-day price and wage freeze, set up a Cost of Living Council to devise a set of "temporary" controls, set a 10 per cent tariff on certain imports, and suspended gold payments in order to float (devalue) the dollar. Nixon called this "the most comprehensive new economic plan to be undertaken in this nation in four decades"—since the new economic plans of FDR, presumably.²⁹ Controls had last been employed during the Korean War; these would last until the spring of 1974. They would, it was hoped, contain the inflationary pressures which the administration intended to release through monetary and fiscal ease in order to produce sufficiently full employment by 1972 to bring voters to the polls in the right frame of mind.

Nixon actually had considerable business support for controls in the summer of 1971—including the CED. This helped overrule his lifetime convictions, and of course he also consulted his political instincts. Economists and others have faulted the decision in retrospect, having forgotten that economic advice in those trying days (and after) had been ineffective and contradictory, that some reliable people favored controls under the circumstances, that the public and Congress seemed to want them, and that for a president to want to be re-elected over his untrustworthy opponents is entirely a part of our system. In any

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event Nixon, in addition to all that he had previously done by 1971 to toughen and extend the government's influence over American society, had now added an incomes policy. Uneasiness over controls was widespread, in fact was perhaps strongest in the administration itself. C. Jackson Grayson, chosen by Nixon to head the Price Commission, was to write:

Have we taken the big stride toward the perfectly planned economy? I hope not.

Yet farther on in his memoir of the 1971-73 period of controls, Grayson gloomily concluded:

I am personally convinced that our economic system is steadily shifting away from private enterprise and a free market, and toward central direction and public control.³⁰

6

Environmental legislation and controls, unlike the steps earlier mentioned, originated in Congress. Another unasked grant of executive authority was the requirement, written into the Housing and Urban Development Act of 1970 as Title VII, to submit a biennial report on urban growth. Congressmen saw this as forcing the administration to take the next step in growth policy after the tentative sentences that peeked through Nixon's 1970 State of the Union Address. There were signs in the 1970 Act that Congress had made a feeble effort to define an NGP before turning the problem over to Nixon. The preamble listed eight elements that would certainly be a part of an NGP when one was finally born. Beyond this list mere congressmen were not at that time able to go. The ball was hit deep into the administration's court with the requirement for a report on urban growth. For his part, Nixon opposed Title VII, preferring not to be locked into a reporting cycle every two years when he would be expected to show steady progress toward this thing Moynihan

had pushed under his tent. The administration wanted more room to maneuver in dealing with a matter about which it was internally divided, uncertain, and apprehensive.

A third new policy area was opened up by congressional liberals in 1970—land-use planning. With the broadening discussion of growth policy it was only a matter of time until the nation's land-use practices would come under critical appraisal. National attention to land-use surprised and irritated the local officials and developers who were involved in the process in the 10,000 units of local government where decisions were made in the late 1960s. Like family size, it was one of the last areas of private activity where the national government had not meddled. Admittedly, one-third of the nation's acreage was in the public domain, and was managed by agencies like the Forest Service or the Department of the Interior. Neither the government's right to manage this land nor the manner of doing it had been seriously questioned since the dust storms of the 1930s. Few people recalled that it had ever been an issue. On the rest, private land, the government had no say. FDR had suggested with some diffidence that lumbering practices on private land ought to be a matter of some reasonable federal regulation, but he was rebuffed. The average American was exceptionally irritable when property rights were threatened, and no national politician from Roosevelt into the 1960s returned to his suggestion. Developers of land were well organized and dangerous antagonists. Critics of the existing decentralized system were not an important lobby. Who would propose federal involvement in this turbulent area, with the government so busy defending the free world and keeping the economy out of trouble?

The first brave soul to tread on these fiery coals was Senator Henry Jackson. But if he had not been born, others would have stepped forward. Awareness of land-use crisis was no individual's creation, rather an opportunity. Jackson produced the first legislative focus for the issue when he submitted the National Land Use Policy and Planning Assistance Act in January 1970. One cannot be sure what brought him so tenaciously to this risky issue. His major interests prior to 1970 had been national secu-

rity. Perhaps no uncanny instincts were required to perceive this rather exposed problem. Jackson was intelligent; he was from Washington State, where growth issues were increasingly sensitive politically as a recreation-oriented public pondered urban encroachments; he had a strong national orientation, nurtured during years of involvement in defense questions and from pondering his own presidential ambitions; he was orderly by nature, and was therefore easily aroused by the chaotic land-use system his country relied upon as it entered the final thirty years of the twentieth century. Other Senators might easily have been brought to this issue along similar paths. But Jackson's reputation as a serious, responsible moderate with no ties to the woolly edge of the Democratic party meant that he would be taken seriously if he said the country had a problem requiring federal action.

And the arguments for action were virtually unassailable. Population growth put enormous pressure on supplies of open land. America from 1970 to 2000 would convert 28,000 square miles of land from rural to urban use, would strip-mine and build power lines and freeways, power plants, and housing, adding in thirty years as much of man-made America as it had since 1789. Yet the process of deciding where and how all this would take place was, as Jackson put it in 1973, "chaotic, ad hoc, short-term, crisis-by-crisis, case-by-case."³¹ Profit guided the plans of developers, minimal expense guided the plans of the municipal officials, political considerations guided the awarding of government contracts. Everywhere the organized interests pressing for short-term profit overwhelmed the capacity of decision-making agencies to consider competing claims, to take broader perspectives.

What was required for the future, Jackson thought, was to raise the level of land-use decision-making. Local jurisdictions endowed with land-use authority were easily dominated by organized interests, and their decisions were often economically or environmentally irrational in a larger context. Jackson wanted a broader context, but he was not eager to be cast as a communist or visionary. He settled upon the state as the appropriate

unit for land-use planning, a decision which was politically inescapable. Larger regions existed in economic and environmental reality but not as political entities, and no practical man would propose elevating these decisions to the national level. Jackson accommodated to the federal system as he found it. His bill proposed the extension of the federal grants of about \$100 million a year to entice states to establish land-use planning covering four types of development—areas of critical environmental concern; areas contemplated for key facilities such as energy sites or highways; areas of regional benefit (by which he meant obnoxious uses of land which neighboring areas might want placed elsewhere, uses such as sanitary landfills or sewage treatment plants or low-income housing); and areas where large-scale commercial or residential developments were proposed. Other land-use decisions, having to do with small parcels, single dwellings, or commercial enterprise, would remain the joyous responsibility of local authority, as of old.

Jackson intended his bill to seem a moderate and reasonable approach to a pressing problem, but he cannot have been surprised to encounter people who thought otherwise. At first the opposition came from those who wanted reform but hoped to go about it differently. The initial resistance came from Congressman Wayne Aspinall, who proposed to lump federal lands in the same bill, affecting private lands. This unnecessary complication managed to muddy the water until 1972, when Aspinall was defeated in a primary. With this diversion out of the way and the Nixon administration supporting land-use legislation in a bill similar to Jackson's, the interested parties got down to serious conflict. Jackson wanted to confine the bill largely to *process*, firmly leading the states toward their planning duties but leaving the substance of planning in the law minimal or nonexistent. This might diminish the outcries about federal dictation that one heard as a sort of reflex from the guardians of the Constitution. Jackson thought the feds must dictate that there be a national network of state land-using planning systems, but not what their goals and standards should be. This was not quite possible, although Jackson approached it as closely as he

could. Some minimal national standards had to be tucked away in the bill, or recalcitrant states would make a mockery of land-use reformers' hopes for actual planning in place of what we already had. This aspect of things Jackson downplayed. The bill would "require the states to exercise states' rights," the senator said, to underline the conservatism of his approach.³²

With federal land-use legislation a serious possibility one might have expected a stand-up war between growth and no-growth armies. Jackson's bill passed the Senate in 1973, a relatively quick passage from hopper to successful floor vote, because that war did not take place. From 1970 to 1973, while successive hearings in Senate and House gradually channeled the contending interests, neither the development-oriented nor the slow-growth oriented (nor the no-growth oriented) could decide whether their goals would best be achieved by lodging regulatory power at the federal, state, or local level. Senator Muskie reflected the traditional liberal instinct when he urged more specific federal standards to ensure adequate nation-wide environmental protection. But many environmentalists felt safer with state governments in states such as Maine, Vermont, Delaware, Colorado, California, Florida, and Hawaii where local environmental and slow-growth sentiment had already begun to effect what observers had called a "quiet revolution in land-use management." They feared that the Department of the Interior might force energy installations on reluctant states more often than the other way around. Subsequent events had proven this fear not unfounded. In any event, Muskie's effort to strengthen federal standards was beaten. He then attacked the Jackson bill for lack of adequate sanctions, and this sort of pressure eventually forced Jackson to add "crossover" penalties by which states not devising adequate land-use planning procedures would lose a graduated percentage of federal funds for other projects.

This issue, the strength of federal sanctions, had produced for the first time a relatively clear division between the real estate-construction industry lobby and the environmentalists. Another came when Jackson decided to put the federal administration of the law (one couldn't openly call it "enforcement,"

since the whole issue of federal standards had been muted) in the Department of the Interior. Muskie and other environmentalists knew that Interior was a conservative agency with strong emotional and political ties with oilmen, land-developers, ranchers, and other undesirable citizens. They thus preferred to lodge enforcement in the new, relatively consumer-oriented EPA. On this Jackson prevailed in the Senate, and the Udall-managed bill in the House retained similar administrative provisions.

One might have thought that some legislators would make trouble for Jackson by suggesting that land-use legislation be enacted only as a part of a larger NGP. This made logical sense, but political sense suggested a sloppier path of advance. Incrementalism was the habit in Congress, and there was no important support for delaying land-use action until a structure for NGP was in place. One took what one could get, piecemeal. The NGP forces scored a minor victory by passing the Coastal Zone Management Act in 1972, but more was at present impossible. When Jackson's bill or some other land-use legislation passed, it would take its place among the gathering parts of an NGP, and coherence would have to be arranged later.

Jackson had a lot to say in support of his bill, and most of his arguments faced to the Right. No new controls were being proposed, he stressed; the federal government was not invading the last sacred area, land use. The National Land Use Planning Act was "the nation's best and probably last chance to preserve and to invigorate state and local land-use decision making and to insure that basic property rights are not infringed by faceless Washington bureaucrats. . . ." ³³ It was effective camouflage of a piece of legislation which marked a radical expansion of social claims upon individual behavior. As with virtually every such measure, it could not have gotten very far if conservative interests of substantial size had not decided that it was this law today or a more threatening one tomorrow. Jackson's bill was endorsed by the *Wall Street Journal*, *Business Week*, and other business organs and groups. It had the support of the National Governors' Conference, the AFL-CIO, and the American Insti-

tute of Architects. Enlightened conservatism had rarely been mobilized so promptly. These groups were not put off with Jackson's thought that land-use decisions ought to be changed from "selfish, short-term and private" to "long-term and public," even though these words implied collectivism of uncharted dimensions.³⁴

Where was the administration in all of this? It was on the side of those proposing reform, change, better planning. Nixon supported Jackson's bill from the first, although the administration submitted a slightly different draft (with strong cross-over sanctions). In each environmental message, 1971-73, a national land-use planning law was listed by the President as "must" legislation. Rogers C. B. Morton, secretary of the Interior, said in Los Angeles in 1972: "If we fail in our generation to inaugurate a national land use policy, we will let the next generation down. . . . This country cannot grow like Topsy. There has to be a sense of order."³⁵ In some respects, the Nixon government was more eager for national intervention in land-use than Jackson was. The administration submitted power siting and deep-water port legislation which Jackson thought radical, as it provided for federal pre-emption. Through 1973 the administration remained committed to national leadership in land-use planning, although it left to Congress the daily struggle to produce a majority for this controversial expansion of public authority.

7

The year 1972 was an occasion of considerable importance in the history of American Planning. I am reluctant to call attention to this, as it tends to confirm a vice of historians and other people, that they think presidential elections are Very Important Events when they often are not. But to the Nixon loyalists the election of 1972 was a transcendental occasion, and its approach brought a powerful re-direction to the administration's activities. In 1969, 1970, and into 1971 it had taken the lead in

institutional reforms designed to augment and centralize the government's capacities for social management. The President established the Domestic Council to achieve horizontal integration of policy and study both long and short-range problems; he proposed a sweeping reorganization of the executive branch; he established the National Goals Research Staff to work on both goals and social reporting; he appointed the first population commission; he called for a national growth policy; he supported a national land-use law; he extended controls to wages and prices.

All this had taken place in a society churning with anxiety over the direction of things under current arrangements. The country fairly sprouted with spontaneous local efforts to control social change through public intervention. The states of Hawaii and Oregon, for example, the city of Petaluma, were in their own spheres bolder pioneers than the federal government along the paths of public control of social development. Many citizens, recognizing the limits of local authority, were putting sustained pressure upon the national government to energize itself. Especially sensitive to the gathering social disorder were environmentalists, natural and social scientists, city planners, architects, engineers, mayors, even some governors.

In Washington the executive and the Congress both responded to this public mood and to the emerging realities of finite resources squeezed by population growth. The response of both branches was slow, halting, and inadequate. But one was surprised to see the dog walking on its hind legs at all. The national government's record revealed an ingrained sluggishness; still, the steps taken from 1969-71 toward adequate social management of our national development compared well with any two years of that creative managerial era, the New Deal. In this burst of activity the executive had been more interventionist, more activist, than the legislative branch.

This changed in 1972, and the initiative shifted to congressional liberals. Moynihan had left for Harvard late in 1970, and while this premise would be much too simple, it did appear that the ardor for national growth and population policies went in

his suitcases. The 1972 growth report was published in February as the law required, and the administration showed a respectable degree of courage and logic by calling it *Report on National Growth*—urban growth was seen as too limited a concept. But the report disappointed those who hoped the executive might move the growth policy discussion forward. On looking more closely at growth policy the administration had found it both conceptually more diffuse and politically more unsettling to elements of its constituency than had been foreseen. "I think they are beautiful words," said Undersecretary of the Interior John Whitaker of the growth policy issue in 1973, "and when you try to get down to what they mean it is an extremely difficult problem, the center of that problem being who decides who is going to grow. . . ." ³⁶ *Report on National Growth, 1972*, offered demographic data, deplored disparities between rural and urban growth patterns, and appreciatively reviewed the administration's efforts to meet the problem. But it struck ideological notes discordant in the NGP discussion by insisting that it was vain to hope for a single policy to correct the situation, that "our planning for national growth must rather seek to help individual Americans develop their unique potential and achieve their personal goals," ³⁷ and that the main responsibility for growth policy rested upon the shoulders of local governments and individuals. The administration that had called for NGP two years before now took several shuffling steps to the rear.

Congressional and public supporters of NGP were greatly irritated. Rep. Thomas Ashley, one of the prime movers behind Title VII, arranged for hearings on the report in June. All the witnesses were hostile:

Arthur A. Davis of the Conservation Foundation: [the report] "does not address the issues adequately."

Alan Rabinowitz of the American Institute of Planners: it "left a great deal to be desired" and "fails to be responsive to the Congressional mandate."

Archibald Rogers of the American Institute of Architects: [the report is] "unacceptable" and "calls for a 'no policy' policy." ". . . too little, too late and too subordinated to the shackles of its 19th and 18th century value system."

R.P. Burton and Harvey Garn of the Urban Institute: "inadequate both in concept and vision."

Bernard Weissbourd of Metropolitan Structures: "a sorry reflection upon the United States of America and its national leadership at this time" and "an apparent confession of intellectual bankruptcy."³⁸

Many objections were raised. Those who wanted American perpetual growth assumptions challenged did not like the report's assumption that growth was inevitable. Could it be an accident that *Population and the American Future*, product of a governmental commission and published one month later, had received not one single reference? Most fundamental, the report stressed the difficulties of devising an NGP when, as one witness said, "we already have one, fragmented, disparate, conflicting, and inadequate as it is."³⁹ This fundamental truth had lay behind the growth policy movement from the start, but the authors of the report apparently preferred the invisible hands of undeclared policies to a Policy that would give its inevitable enemies something to focus upon. The mayor of San Jose, Norman Mineta, described with undisguised irritation how federal mortgage insurance, tax, and highway policies had helped lure 25,000 people a year to San Jose through the 1960s and forced their spatial arrangement in sprawling, racially segregated suburbs. He did not enjoy reading in the Report that growth patterns should be left to local governments and individuals. But this was June, and sour grapes. The administration had made its decision, and published in response to the 1970 congressional mandate what the *New York Times* was to label "a mausoleum of words."

Some observers thought that the administration drew back principally because an explicit NGP would inevitably mean

some effort to disperse blacks from center cities to suburbs. A Republican President would have difficulty explaining this line of activity to his constituency, especially in an election year. NGP advocates did not sympathize with the Executive's unwillingness, whatever his party or philosophy, to gratuitously clarify the impact of policies with such fundamental but scattered influence upon where people would settle, who their neighbors would be, and where builders would be allowed to make their contribution to America. And few were generous enough to concede that the vacuity of the report, apparently written in haste by John Ehrlichman after earlier drafts pieced together by the bureaucracy proved unmanageable, owed much to the inherent complexity of the issue. By now the administration probably wished it had never heard of growth policy. But Title VII of the 1970 housing act locked them into a remorseless reporting cycle. There was no way to kill the monster; one could only keep it quiet, and underfed. In May 1972, the *Wall Street Journal* disclosed that Ehrlichman had sent a memo to all Cabinet officers with a long series of questions on growth policy. Apparently he intended to be better prepared next time—just two short years away.

The issue was gradually appropriated by liberals, who found it more congenial. In May 1972, Senator Humphrey, then a strong contender for the Democratic presidential nomination, announced his intention to draft legislation committing the nation to an NGP and establish institutions to produce it. He spoke at the Commonwealth Club in San Francisco, and did not perhaps appreciate the appropriateness of the site he chose to join the Planning movement. Here Roosevelt had expressed his strongest endorsement of Planning in 1932, in the same month just thirty years before. Humphrey had some company. Senator Vance Hartke submitted in 1972 what he hoped would be the National Growth Policy Planning Act of 1973, and the American Institute of Architects called for an NGP in its report, *America at the Growing Edge* (1972). And if anyone read the Democratic platform for the 1972 race, they would have found in it a pledge for a national urban growth policy "instead of

today's inadvertent, chaotic and haphazard one that doesn't work."⁴⁰

Such ideas might conceivably have led to the establishment of NGP at a stroke, as the 1946 Employment Act had finally codified all the economic management traditions of the 1930s. Incrementalism, as we have noted, was more likely. In October 1972, Congress passed PL 92-583, the Coastal Zone Management Act, recognizing the special importance of coastal waters and adjacent shorelands, and encouraging states to develop adequate land- and water-use "management programs." This presumably meant planning. The content of these "management programs" was loosely defined, and for some reason the administrator was the secretary of commerce. The law was little understood, even by its authors. It held no sanctions if states did not care to join, and was therefore not paid much attention in the press. Nixon included no funds for its implementation in the 1974 budget, without explaining whether he did so out of distaste for this piecemeal approach to a serious subject—NGP—or because he was souring on the whole enterprise. The law was an odd event. Some 50 per cent of the American people lived within the coastal zone as there defined, and most of the national energy production took place within its borders. NGP was apparently being constructed by parts, and well ahead of public consensus or understanding.

In any event the momentum of the multifaceted movement toward Planning had shifted away from the executive branch and now appeared on Capitol Hill. Congress stirred with novel ideas. Congressman Emilio Daddario led an inquiry into the government's research and development arrangements, and did not like what he found. The government was spending \$17.4 billion on R&D in 1974, more than three-quarters of it in Defense and space, the rest scattered about in places like NSF, NIH, Agriculture, the Food and Drug Administration, and so on. All this brainy activity was remarkably dispersed, and next to impossible to evaluate or shift in new directions—from military to civilian purposes, for example. Coordination could hardly come from Eisenhower's science adviser, but it was hoped

in 1962 that Kennedy's OST might serve as a focal point for appraisal and control. This arrangement satisfied both presidents and scientists while federal R&D funds were climbing through the 1960s, but scientific opposition to the Vietnam war and to projects like the SST and ABM caused both sides to question existing arrangements. Daddario, Ted Kennedy, and others in Congress groped for new formulas, convinced that science policy required centralization. One result of their labors was the Office of Technology Assessment of 1972, set up to provide what was called "an early warning system" to help Congress monitor "second order" and other indirect effects of technological innovation.

This was helpful, but did not correct the situation in the executive branch. There, in the words of Harvey Brooks of Harvard and the National Academy of Sciences, the status quo was quite unsatisfactory:

The American system with its emphasis on pluralism, decentralization and competition among sectors for R and D funds, performed pretty well until the mid-1960s. However, we've moved into an era where resources for R and D are limited, thus necessitating more careful planning and coordination at or near the highest government decision making level. . . . In addition, a new and more difficult task of interweaving science policy with national social, economic and political policies would seem to call for a unified, coherent strategy.⁴¹

Words of a planner. And in the front part of the Nixon era, they might well have been followed by an appropriate presidential response. If OST was not strong enough at budget time, strengthen its ties with OMB, as one strategy, or—as Lee DuBridge, Nixon's science adviser urged—establish a council of science advisers. But the administration, in 1972, had their minds on politics, not Policy. The White House staff had not liked OST advice because it wasn't "packaged in a way they found helpful," and in more clarifying words, "kept coming with answers that . . . didn't fit the political realities."⁴² That

is, OST, and to a greater extent the President's Science Advisory Committee, had too openly opposed the SST and ABM and space shuttle, administration-backed measures. In January 1973, the announcement came. Nixon would abolish the whole OST-PSAC apparatus, and the NSF would now give the President scientific advice when he wanted it. Scientists almost unanimously condemned the move, as "downgrading" scientific advice. Congressmen noted that the Defense Department's R&D activities received no scrutiny from a White House body with scientific expertise. Apparently, Congress had taken a step toward better technology assessment and the executive one step away, within three months of each other. It was a sign of the times.

We now know, in dispiriting detail, that beginning in 1971 the Nixon administration was concentrating upon the November election with remarkable single-mindedness. The White House was absorbed in the effort to control the media and the nominating processes of the Democratic party. It had no time to resume the reforms of 1969-71 designed to improve control of domestic policy formulation and administration. What time was left from re-election activities would go to the higher claim of foreign policy. The trips to China and Russia came in 1972, and more of the endless negotiations and military adventures associated with the war in southeast Asia. About the only step taken by the administration in 1972 toward improved social management was the broadening of the scope of OMB circular A-95, a little noticed document that was responsible for some improvement in the confusion of grant programs by requiring state regional planning organizations to review federal aid in order to reduce overlapping applications.

The population commission reported in March, and held some surprises. "There is hardly any social problem confronting this nation," it said, "whose solution would be easier if our population were larger. . . . We have concluded that no substantial benefits would result from continued growth of the nation's population."⁴³ This conclusion came in a report written

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with more clarity and candor than many had expected from an official commission on such a sensitive subject. It offered some sixty-two recommendations, including an end to discrimination based on sex, the liberalization of abortion laws, that the government "develop a set of national population guidelines" and set up the Office of Population Growth and Distribution. Another vote for NGP. All these worked toward the same end, that "the nation welcome and plan for a stabilized population."⁴⁴

Readers of Nixon's population message of 1969 might have expected that the report would have his endorsement. Instead he politely thanked the commission members, and in a few days chose two of the recommendations, on liberalized abortion laws and the availability of birth control information to minors, for specific repudiation. Nothing was said in support of the report's general thrust, nor of the administration's plans to "welcome and plan for a stabilized population." Several people felt disappointed in Nixon's response, even betrayed. The President "cast a rather wet blanket over the potential interest of quite a few Federal agencies," said Robert Parke, the deputy director of the commission.⁴⁵ The administration had dropped the population issue. Moynihan, of course, was no longer around to urge a more positive response, but the President's negative public attitude owed to more than this. It was an election year, and he was trading a critical position on part of the commission report for Catholic votes in November.⁴⁶ It is painful to recall this bargain after counting the avalanche of votes that put Nixon back in the White House. The administration that in 1969 could claim to have taken the longest strides toward control of the major destabilizing force in modern history had in 1972 set itself against further discussion of the issue. Eisenhower's reminder that "history will rightly condemn us" had been forgotten. "At times," wrote Moynihan three years after leaving Washington, "the White House of 1971 and 1972 reminded me of Bourbons and Hapsburgs in the 1820s in Europe going around taking down gas lights and abolishing smallpox vaccination programs."⁴⁷

8

At least one of the reforms necessary to improve social management which had been stalled in 1972 had lost momentum because Congress, not the administration, had decided against it. This was reorganization of the executive branch, a reform apparently much closer to Nixon's heart than population control or NGP. Not even the campaign pushed the subject from his mind, and in a meeting at Camp David on September 20, 1972, the President and Ehrlichman decided to go ahead without congressional approval. Nixon, like other presidents before him, wanted his chief advisers to command functional areas. Reorganization would have given him a Cabinet with that design. This the Congress had been too backward to approve. So he and Ehrlichman drew up a complicated new system that could go into effect without congressional assent. They must have been unusually tired and distracted. Five presidential assistants would form an inner circle, channeling information and analysis from the areas of White House operations (Haldeman), Executive Management (Ash), Domestic Affairs (Ehrlichman), Economic Affairs (Shultz), Foreign Affairs (Kissinger). Of the four new proposed Cabinet departments in the Nixon-Ash reorganization, only one, Economic Affairs, had hit the inner ring. Beneath this ring, Nixon put three counsellors, actually current Cabinet officers on special detail: Human Resources (Weinberger), Natural Resources (Butz), Community Development (Lynn). They would report through the Domestic Affairs Assistant.

Only seasoned White House watchers followed this easily. It did seem clear enough that the old constituency-oriented departments had been downgraded a notch to make room for an intervening layer of functional coordinators—"counsellors." Cabinet officers must now sit down from them at State dinners, unless one of them happened also to be a counsellor. Above both Cabinet secretaries and counsellors was a tight ring of five assistants. These complex changes were announced in January

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1973, along with a reduction in Domestic Council staff and other shufflings. Observers did not know quite what to make of it. It was obviously another presidential effort to get control of the Permanent Government, and while Nixon's organizational clarity had blurred, his tenacity on the issue was still perfectly clear.

The new arrangement lasted less than six months, when it was dismantled (May 1973) in the intensifying crisis over Watergate. Nixon never got his reorganization, but of all the changes he sought to enhance the government's managerial and potentially Planning capabilities, reorganization of White House staff and executive branch was his most sustained interest. It is difficult to say how much of what he did and wished to do will make a lasting mark. The reorganization plan itself, and the Ash reports, are full of insight and fresh ideas, and may have more ahead of them than dust collection in a library. The Domestic Council was retained by Gerald Ford, and appears as permanent as the NSC.

But the DC disappointed its backers more than is openly admitted. Its chief value has been as a base for inter-agency Task Forces which have produced some innovative policy thinking in a government very short of new ideas. But it has shortcomings as a place for policy coordination. Its members are after all department heads who do not take on a national ("presidential") perspective simply by driving over to the White House from the Department of Agriculture. The DC is quite large, and Nixon, according to the report of a White House aide, disliked the meetings and scheduled them with decreasing frequency.⁴⁸ Here again, the distorting influence of the election was felt. In 1972, by many reports, the DC staff worked mostly on political speeches, position papers to refute and confound Democrats, and smothering fires within the administration that might politically embarrass the President. This was the staff that was supposed to provide the President with an "institutional memory" which the Cabinet could not possess. This must have been evolving to some extent, since the staff reached about seventy persons and they dutifully kept files. But much of their remem-

bering seems to have had to do with the transgressions and vulnerabilities of "the enemy." Instead of the experts and specialists in domestic problems one would have expected to find in the DC, John Donovan found more political generalists, political associates with whom Ehrlichman and Nixon were comfortable. He identified three of Ehrlichman's seven deputies as former advance men for Nixon.⁴⁹ Nixon's choice as the director of the DC after left was Kenneth Cole, a candid, engaging man of extremely conservative views, who comes close to believing that the government can do nothing well. "The only thing we learned," he said of his DC experience, "is that no one here is smart enough to manage an economy as big and complex as this one."⁵⁰ Could Nixon (or Ford; Cole served until February 1975) have expected the DC to flourish as a coordinating and policy planning agency when directed by a man who thought Nixon's most significant domestic achievement had been ending the draft?

Some of these problems of the DC were structural, some were inevitable in every pre-election period, some derived from the special characteristics of Nixon and his men. Sorting them out will take some time and access to the primary sources. In any event the DC did not become the Planning Board that its founding executive order had sketched in 1970. Nixon actually preferred to get coordination of domestic policy through one man, as he had designed it on the foreign policy side where Henry Kissinger overawed potential opposition. He first tried Arthur Burns, then John Ehrlichman, whose performance in 1970 and 1971 as domestic coordinator may rank higher someday than most people think. Eventually, political concerns related to the election, then to Watergate, reduced Ehrlichman's ability to coordinate a government resistant to coordination. The DC was given over to Kenneth Cole, and with Ehrlichman gone in April 1974, domestic coordination went to Melvin Laird, whose thoughts for some time had been on fleets, bombers, and bases. Then came William Rush, as Nixon continued to assign one White House aide the job of domestic coordination. The Kissinger example, and his own preference for rooms with a very few people in them, led the President to place impossible

demands upon selected individuals. The institutional base for policy coordination, the DC, was very much in limbo in 1973 and 1974. Optimists might have assumed that it, or one of those listed presidential supercoordinators, was managing to eliminate the gross inconsistencies of American domestic policies which had been so glaringly exposed in the studies of the 1960s. The energy crisis would dash those assumptions, and reveal how short of adequate Planning the Nixon government had stopped when in 1972 it took the fatal low road to political success.

9

From the election to the jolting end of the Nixon presidency in August 1974, the pattern of congressional initiative and administration drift continued to characterize the landscape of policy issues which involved the capacity to plan. In the spring of 1973 the Senate hoppers held two Planning bills, relatively parallel efforts by Senators Hartke and Humphrey. These proposals did not stun the capital, no hearings were scheduled, there was no media rush to probe their implications. But their appearance was a remarkable event. Senator Humphrey was not thought to be an exciting figure in American national life after the 1968 defeat. He was said to talk too much and not to say new things. He had made the mistake of being Lyndon Johnson's vice president and defending the war; he had not written a best-selling book. These considerations inclined informed liberal opinion (conservatives agreed for different reasons) to have a strong lack of interest in Humphrey's last years in the Senate. This will one day be recognized as a serious error. Humphrey's own view is more accurate. He has stated that the most important single legislative proposal he has ever been associated with is the Balanced National Growth and Development Act which he promised in May 1972 and drafted in early 1973. In 1975, the altered bill had picked up bi-partisan support and was candidly titled the Balanced Growth and Economic Planning bill. (See Chap. VI, p. 278.) The long shunned word was out

in the open. If it were enacted, America would have a framework for Planning more comprehensive and promising than anything Franklin Roosevelt administered or even proposed.

At a stroke, liberalism had converted back to Planning. Humphrey proposed a sophisticated law that would deploy all the functions of social Planning in an entirely new structure. Perhaps he was braced for denunciation as a socialist, a Planner, a radical. Surely this would have been so in the 1930s, the 1940s, the 1950s. In making a daring proposal, and finding that it was not thought to be very interesting, he had opened some intriguing possibilities. The political culture no longer equated Planning with revolution or socialism. It received the word "Planning" from a leading national politician with a thoughtful silence. Indeed, there were indications that the calm that stalled Humphrey's proposal for Planning might gradually be replaced by a gentle wind behind it. Senator Hartke submitted his own S1286 in March 1973, the National Growth Policy Planning Act. Hartke was burned nowhere in effigy for being a Planner.

The two senators were not alone in raising the standard of Planning. A seminar of scholars and public officials at the Woodrow Wilson International Center in Washington in May 1973 concluded:

. . . Problems with long-term implications and broad dimensions cannot continue to be dealt with on a day-to-day, ad hoc, piecemeal basis. It is fair to say that, despite the plethora of "planning staffs" scattered throughout the federal structure, . . . no arrangements for systematic, integrated, long-range planning exist within the U.S. government—nor, except in times of great crisis, have they ever existed.⁵¹

The seminar then suggested an office of strategic policy assessments, which they would have preferred to call candidly a Planning board but "there is a long-standing and probably justifiable popular suspicion attached to national planning."⁵²

Here and there in Washington the need for Planning was breaking through into public discussion. Yet if no one appeared

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to be horrified, it was also true that no congressional committee until 1975 proposed hearings on this emerging novelty. Before long, close examination of these ideas would be essential. Even knowledgeable people who talked to or around the idea of Planning did not appreciate the choices to be made even after the need for Planning was accepted. Humphrey's Planning board was not made up of Cabinet officials, like the Domestic Council, and there must be discussion of the shortcomings of this arrangement as well as its virtues. What regional, state, and local structures were required to facilitate grassroots participation, sensitivity to local variation and needs, prompt social reporting? Could Planning work without executive branch reorganization, a structure and method for social accounting? Other questions swarmed around the issue. Above all, were there essential differences between Planning as it might be designed by a conservative government like Nixon's, or as it might evolve from the liberal tradition reaching back to FDR? In 1973, these issues only stirred beneath the surface. The evolution toward Planning still went on piecemeal, without a larger intellectual framework.

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One salient of this evolution was land-use planning, which reached a threshold in the spring of 1974. The Jackson bill had passed the Senate in June 1973 by a lopsided vote of 64-21. A national land-use planning bill! Ghosts stirred with astonishment in the old Interior Department offices once used by the NRPB. Were the defenders of property rights so easily routed? The Senate vote seemed to revive them. Opposition in the House built during the autumn, and the House Rules Committee kept the companion Udall bill from the floor until June 1974. Udall finally managed a vote on a bill stripped of sanctions to reduce the opposition, but no concession stilled the bells of patriotism in the defense of a man's right to treat his property as he wished. In floor debate, Congressman Broyhill

of Virginia said that the bill "had frightening implications for the future of this Nation," for "zoning and land-use decisions would no longer be made by familiar local individuals who have an understanding of the needs of the community" but by distant bureaucrats. Another vigilant defender of current arrangements wondered "how long will this short-sighted and dangerous march of power to Washington continue?"⁵³ The Chamber of Commerce thought the bill held too many federal standards, would perniciously interfere with local autonomy. The National Association of Home Builders decided that the bill, despite Jackson's and Udall's disclaimers, was a Trojan Horse for the no-growth fanatics.

The language of federal dictatorship was hard for land-use supporters to meet. The bill was easily misunderstood and misrepresented by interest groups with a stake in unrestricted development. It was a national land-use law, but it placed heavy responsibility on the states. From one angle, it looked like a conservative substitute for the radical national control that would probably be coming along in a very few years. One Republican congressman thought it was a model of the New Federalism, and couldn't fathom the intensity of the opposition. Another pointed out that, since it gave land-use power to the states, "this legislation cannot, even by the wildest stretch of the most suspicious imagination be seen as expanding any federal power."⁵⁴ But there were many suspicious imaginations focused on the muted issue of federal review of state plans, and on the possibility that the sanctions in the Senate bill might prevail in conference. The bill's supporters manfully repeated the facts that had moved the law this far, facts easily forgotten in the comfortable chambers where legislators deliberated. Representative Anderson noted that during each week of congressional debate on the bill, 27,000 households were formed in America, requiring housing covering an area equal to that of the city of Kalamazoo. Hoping to alarm his colleagues, Representative Udall offered the data that every twenty-four hours 10,000 acres of open land went under the asphalt of freeways and subdivisions, located, like energy facilities and industrial plants, without study of

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regional/national costs or benefits. The House voted 211-204 against the bill.

Henry Jackson was furious, and placed the blame upon Nixon. The President had supported Jackson's intentions from the beginning. In three environmental messages in a row, in the second State of the Union Address in 1973, the administration endorsed a strong national land-use planning bill. Then early in 1974, as talk of impeachment underscored Nixon's need for conservative support, he decided to abandon the effort. The administration switched to a weak substitute designed by Arizona representative Sam Steiger to defeat every aim of national land-use planning, and this switch provided the margin of defeat. Again the need to keep Nixon in the White House had put an end to the Nixon administration's early interest in strengthened national controls over social development.

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Now the administration bore little resemblance to its earlier self. It conserved its energies by taking negative positions on population and land-use, drifted on growth policy, paid no more formal attention to national goals. Its achievement in reorganization was in place—a domestic council, a doubled White House staff, a new OMB. There was less progress toward a Planning capability than one would have expected of a two-term president when the activism of the administration emerged in 1969-70. The task of re-election had largely accounted for the stall in the policy thrust we have outlined; after re-election, Watergate engulfed a White House which piled error upon error until it had committed an unbelievable suicide. In the last months in office, certainly during 1974 and most of 1973, the Nixon administration put a brave face on a crippled condition. The White House had its attention riveted upon its legal and political perils. The still enormous tasks of rationalizing domestic policy were unaddressed. Every agency was dispirited and rudderless, especially the crucial arms of the President, OMB,

CEA, and the new energy administration. "It's no longer a government," commented Congressman Henry Reuss in May 1974, "it's a bunch of roving feudal bands." Routine business was conducted, but there were inadequate moral and intellectual resources to cope with emerging problems. The growth report required in February 1974 did not appear. It had not appeared when Nixon left the capital for retirement.

The disarray of 1974 owed almost entirely to the constitutional crisis over the apparent crimes and excesses of the President's re-election committee, his closest White House aides, and himself. Impeachment pre-empted other public business. History would show that the Nixon administration, even though losing momentum in 1972, had made important progress in equipping the federal government for the job of social management it had been performing so poorly since the 1930s. Important progress, but how much measured against the mounting challenges to American stability? In simpler times, surely enough to earn much praise. But the dimensions of our national crisis in the 1970s set harsh standards for those who had accepted power and promised to lead. The government's continuing ineptitude after five years of Nixonian leadership was painfully exposed when the energy crisis came in the winter of 1972-73.

The "energy crisis" may seem a large enough problem to stand on its own, but it was only the most severe manifestation of material shortages that became endemic in the early 1970s. It was oil in the winter of 1972 (and forever thereafter), but timber shortages had appeared a couple of years earlier, and the supplies of various raw materials were suddenly discovered to be inadequate given current demand. Petroleum shortages of course led the list of vexations in a nation so married to the automobile, unlimited hot water, electric gadgets, and jet travel. Oil, it turned out, was behind everything Americans enjoyed. The painful shortages of late 1972 raised questions about where the government had been as the crisis was building.

The administration's record on materials policy, of which energy policy is the most critical subset, would prove hard to defend. Congress had required the appointment of the Na-

tional Commission on Materials Policy in the Resource Recovery Act of 1970. Nixon duly appointed an industry-dominated seven-man commission. It spent \$2 million, and its report in June 1973 was not comforting. It concluded that market forces should continue to allocate our material resources; that environmental costs ought to be reflected in market prices; that recovery ought to be spurred; that a national land-use policy was desirable; that perhaps the big car ought to be taxed and mass transit encouraged. These were cautious appraisals, avoiding the alarm that was actually justified. Yet certain policy reforms came irrepressibly into their conclusions. The administration was not interested, apparently, in materials policy, nor in an early 1972 preliminary finding of a task force of the commission that petroleum shortages were imminent. (The petroleum shortage had also been foreseen in other parts of the government, for example in a June 1972 report in the Office of Emergency Preparedness; information of this sort did not rocket up to the President.) "There was no great interest shown at the White House," admitted Materials Policy Commission chairman Lynton Caldwell, "with respect to the commission or its mission."⁵⁵

The White House torpor in this area was real enough. But what president had been interested in materials policy? Harry Truman had appointed the only other commission of that name, and little had become of its report. Nixon, like his predecessors and virtually every congressman, did not set aside a few minutes a week to worry about materials policy, or energy policy either. The Ash committee's studies of regulatory agency performance had not focused upon the failures of energy policy coordination, as numerous as they were. Nixon's reorganization plans included a department of natural resources, a useful unification of agencies which was not presented in terms of energy policy rationalization. Americans did not think about energy. Richard Nixon was a typical citizen in this regard. He opposed a Senate study of the energy field which Senators Jennings Randolph and Henry Jackson pushed in 1971, and the reports of his CEQ treated energy policy in a cursory way even after Congress in 1971 required its separate treatment. His energy

message of 1971 was drafted by a Domestic Council task force which then became inactive. Apparently drafting the message had been the goal, not a major realignment of policy.

As the first presidential message on energy the occasion was historic. The substance of the message was remarkably unimaginative. The urgency on energy problems felt in other parts of the government and among interested experts had not apparently risen to the Domestic Council level. If one wished to propose a course of action least disruptive of established business interests and consumer patterns, this was the message one would draft. Conservation was given only a ceremonial mention. The rest of the twelve-page message had to do with expanding production of energy supplies, with oil, coal, and nuclear sources taken most seriously and solar energy granted only a small corner of the energy future. At the end the President displayed his (or his message writers') acute sensitivity to organizational disorder by deploring the fragmentation of federal energy policy, and proposing that the hoped-for Department of Natural Resources have all energy research and development activities consolidated within it. This was in June. Seven months later, in February 1972, Nixon appointed one Charles DiBona his first energy adviser. Of course nothing differently happened thereafter. In the usual pattern, American government waited for the problem to deserve higher priority by becoming unmanageable.

It did so in the winter of 1972-73, as the Arab oil embargo and a shortage of refining capacity produced long lines at service stations, snowbound homes without heating oil, rising prices and tempers. In April the President produced another energy message, this one longer and more substantial. Now the administration was concentrating upon the issue. Its grasp of the details of energy sources, utilization, and federal policy was stronger. But the basic approach was the same. Inviting and coaxing private enterprise to produce more energy was the administration's main solution; bringing about altered life styles to reduce energy dependence by that necessary margin was not. Nixon proposed that the government de-regulate most natural gas prices at the

wellhead, increase shelf oil drilling, build the Alaskan pipeline, and extend the benefits of the investment tax credit for oil exploration. It also seemed time to ease air pollution requirements so that coal use could be expanded. This program did not envision any changes in American life of any significance. Gas and oil might cost more, coal less. The emergency did not appear to the administration to require what some saw as the desperately needed reorientation of American culture away from Detroit products and wasteful consumption of energy toward modes of life more forgivable by our ancestors.

Nixon might have proposed heavy taxation of large autos, or a crash program of mass transit, or gasoline rationing. He skirted regulation or coercion, the use of the tax system to alter consumer habits, and relied upon raising prices. "Energy conservation is a national necessity," he said, "but I believe that it can be undertaken most effectively on a voluntary basis."⁵⁶ Of course the government had its role to play in energy conservation. The President put in his message a sentence about the need for a national conservation ethic, and established something called the Office of Energy Conservation in the Department of the Interior, of all places. And he ordered the Department of Commerce to develop a voluntary system of energy efficiency labels for home appliances. Richard Nixon would survive the energy crisis, at least, without proposing any measures which threatened the profits of corporations involved in energy, or which threatened the southern California culture of Cadillacs, jet planes, and warm swimming pools. But Nixon still cast something of a planner's eye upon problems, or at least his Domestic Council did. When it came to governmental organization, the Nixon White House harbored reformers. This second energy message complained again of defective organization: "The current fragmented organization of energy-related activities in the executive branch of the government must be overhauled," which meant—he must have been tired of saying this—a department of energy and natural resources (perhaps the realigned title would move an incredibly torpid Congress).⁵⁷

Congress, led by Senators Metcalf, Jackson, and others, was

actually well along in its own study of energy policy. And whatever Congress did about the DENR, Nixon's White House organization for energy policy was weak, and he could change this without legislation. This he did in June 1973, appointing Governor John A. Love of Colorado to head the new Office of Energy Policy which merged other units too obscure to require listing. Again on this occasion Nixon asked for a DENR, repeated that conservation must remain a voluntary obligation of citizens, and suggested that air-conditioning thermostats be turned up by 4°.

The new energy office lasted six months, and ended under circumstances that are not entirely clear. On December 4, 1973, Nixon sent Love back to Colorado, set up the Federal Energy Office under Treasury official William Simon, and proposed that Congress establish a federal energy administration with broad powers to coordinate policy, and an energy research and development administration to centralize R&D activities now scattered from AEC to Interior. There are indications that Love had pressed too hard for mandatory fuel allocations as the second energy crisis winter approached. For his part, Love testified that the President really had other things on his mind, still, than energy policy. "It has been difficult to try to do anything meaningful and even to get the attention of the president," he said upon resigning.⁵⁸ In any event, the bureaucratic shuffle of energy agencies finally produced the FEA and rested there (no DENR), after congressional liberals had disappointed the President by narrowing the agency's requested powers, specifying its accountability to Congress, and requiring public access to oil and coal company data subpoenaed by the government. In eleven months national energy policy had been scrutinized, its planlessness and lack of focus admitted even among moderates. The FEA now drew together some of the scattered powers affecting energy. That Congress intended this to bring planning to national energy policy was clear. In the act establishing the FEA it required the director to submit a comprehensive energy plan in 120 days.

While the trend was clear enough, the distance moved was not very great. Senator Jackson had correctly summarized the

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situation in December 1972 when he said that the Nation not only lacked an energy Policy, but had "no single forum or decision-making body in which alternative means for meeting our energy needs can be weighed against the nation's economic, environmental, and security objectives."⁵⁹ Not long afterward a staff study of energy organization was produced by Jackson's Senate Interior and Insular Affairs Committee. It reinforced the conclusion that little or nothing had been done by mid-1973 to improve policy-making organization. "Policy is presently administered by a diffuse and ill-defined assembly of agencies," the study found, a condition of energy policy which had escaped the notice of every reorganization commission from Ash back through Hoover to Brownlow.⁶⁰ Forty-six agencies administered programs with specific impacts upon the energy system, eighteen more exerted important influences although this was not in their charge. Fragmentation was one problem, energy-industry domination another. Advisory committees allowed energy industries a powerful voice in setting policy, and the very data the government used came chiefly from industry.

This report slipped quietly out in 1973. A year later, in April 1974, the GAO released a study of commodity shortages that made somewhat more impact. And the report was critical, even if every conclusion was familiar. It found the commodity decision-making process "essentially ad hoc and crisis-oriented," with the invariably multiple agencies involved without coordinating mechanisms, without adequate data. Naturally the government had not anticipated the shortages in meat, lumber, zinc, soybeans, steel, wool, and fertilizer that mushroomed in the 1970s. Export controls were placed on various commodities, in a process the GAO found "complex but chaotic." "There is no comprehensive computerized material or mineral inventory system in the federal government, and there are no plans to implement one." To problems of agency fragmentation and inadequate data were added wrong assumptions, or at least complacency: "The possibility of scarcity as a possible enduring feature of the international economy has not fully penetrated the government." In a word, we had been surprised by energy

and oil and other commodity shortages because there was no Planning:

In contrast to decisions responsive to immediate needs, a long-term policy planning system would attempt to project possible futures and to modify basic economic and political forces in directions compatible with the nation's long-term objectives. Such a system would require a coherent set of national priorities which would lend direction and substance to the policy planning system.⁶¹

This was the voice of Planning, emerging from a respected place in the Washington bureaucracy. Facts had forced cautious men a long way from old moorings. The Nixon administration, after risking an out-front position on Planning capacities in its first two years, found itself by 1974 criticized for running an unplanned government, not by radicals and professors, but by senators and bureaucrats and who were themselves a part of the planless system.

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What are we to make of Nixon's five years? Every month brought surprises, until this presidential era came to the most astonishing of all conclusions. Which president has left more to be pondered than Nixon, who deposited in five years and a half such an avalanche of words, reorganizations, reform proposals, contradictory initiatives of every kind, juxtapositions of liberal and conservative thrusts, a trip to China, tape recordings of every spoken word in the Oval Office, impeachable offenses? The interpretation of all this will long be a national quandary.

Did his administration have a central purpose and pattern? If it did, was it one the President chose, or were other men, impersonal forces the architects? There is evidence that the Nixon loyalists at the White House and in the executive agencies came to Washington and worked there with a clear purpose.

One finds this conviction in virtually every interview. In talking with Novak and Evans, with Dan Rather, with Allen Drury, with Thomas Cronin, and others who interviewed well-placed Republicans, the Nixon people defined their mission in common terms: to make the government smaller and less involved in social manipulation (except for the area of "law and order"), to liberate capitalists, to end the liberal practice of promising too much, to invigorate the market, to decentralize power, to bring a major change in governing philosophy. "The New Deal is dead," summarized John Roy Price, who enlisted with Nixon before the 1968 nomination.⁶² Or as the new attorney general is supposed to have said in 1969: "This country is going so far to the right that you won't recognize it."⁶³ Or as a White House aide told Dan Rather after Nixon's re-election: "During the first term, we stopped their revolution. Now we can move forward with our own."⁶⁴

This may have been the guiding vision of aides, speech writers, party workers. But it was not translated into substantial reality. Admittedly there were some shallow tracks left by the so-called conservative philosophy. Nixon delivered a passionate New Federalism message, then proposed revenue sharing, claiming that it would send power flowing back to "the people," or at least to levels of government presumably "closer" to the people than the one in Washington. In many speeches he fanned the enthusiasm of citizens who wanted less national government, more free enterprise. He appointed many quite reactionary, free-market men; we remember Haynsworth and Carswell and Rehnquist, and George Shultz, Caspar Weinberger, Alan Greenspan. Nixon searched for new ways to articulate the administration's conservatism, encouraging writer William Safire to write in December 1969 a *New Federalist Paper #1* (which Safire signed "Publius," to raise the tone of the occasion) for internal circulation. The paper groped for a name for Nixonian conservatism, failed to ignite enthusiasm for "national localism." But everybody seemed to be comforted by the reaffirmation of conservative principles.

Much more than this was hard to claim in the service of these

principles when Nixon was done. He proposed a new American Revolution (not very conservative phraseology). The heart of this was to be a backflow of "power" from Washington, where too much of it had collected under liberals, to "the people." How do we judge his success at this? The job is forbiddingly complex, and there has been too little time for adequate reflection and analysis. But some preliminary signs may be read. Let us sit down with that earnest social document, the federal budget. May one discern the term in office of a conservative president in the years 1969-75?

If a conservative president presided over any of these years of budget-making, taxing, and spending, his mark is modestly inscribed. Consulting the admirable Brookings studies of the federal budget for 1974 and 1975, we find instructive trends. From 1960, when federal spending was 18.6 per cent of the GNP it increased to 20.6 per cent during the liberal decade, and actually inched up to 20.8 per cent by 1975. Not much flow of power back to the people, if the right to spend one's own money without any governmental interference is power. Indeed, the figures in one sense seem to reflect the accession of a liberal president sometime about 1970, for defense spending which was 53.7 per cent of the budget in 1960 was down to 44.6 per cent by 1970 then dropped sharply to 31.6 per cent by 1975. On the domestic side, cash income maintenance went up more sharply in half the 1970s than in the entire 1960s, and Nixon's tenure saw grants for social programs slightly increase over Lyndon Johnson's substantial beginnings.

This is on the spending side. On the taxing side, Nixon had surprisingly little interest in the structure of federal taxation, at least no interest in changing it to advance certain broad social goals. He was only interested in the tax structure as a taxpayer, eager to find all the deductions he could. Possibly his attitude in this reflected a lawyer's understanding that American taxation did not actually burden the upper classes more than those beneath them, myths of progressive taxation to the contrary notwithstanding. Nixon signed the Tax Reform Act of 1969 but never had a clear position on it, and neither the tax

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changes of 1969 and 1971 nor the administration's reform proposals of April 1973 brought much change to the revenue system. The payroll tax associated with social security continued to climb under Nixon, as it had under predecessors, and as this was a regressive tax he cooperated fully with congressional preferences here. Under Nixon, personal and especially business taxes were trimmed as payroll taxes climbed, and deliberate loopholes, which economists now wisely label "tax expenditures," were multiplied. The authors of the Brookings monograph on the 1974 budget conclude that "a heavy share of the federal tax burden falls on the poor and the near-poor and that share is increasing."⁶⁵ None of this was a departure from the liberal tax programs of the 1960s, which were shockingly illiberal.

It may be said that Nixon made little impression upon the federal budget and tax system (let us assume that the tax system basically satisfied him) because he could not control a Democratic Congress. But how hard did he work at the job of shrinking the government's fiscal dimensions? The record shows a great deal of practical realism and moderation until the very end, when perhaps a militant anti-statist peeked out. From the beginning, Nixon compromised with budgetary reality. The budget was after all not simply an expensive list of boondoggles. It was first of all a tool of fiscal policy, and cutting liberal programs might well bring on a most destabilizing depression. Through 1972 Richard Nixon fashioned the budget in a practical rather than an ideological spirit. He must have wished to check the rising domestic spending of his predecessors, but recession beckoned that way, as well as the focused anger of former beneficiaries. He had his men ponder a long-range answer, and bide their time until the November 1972 hurdle could be put safely behind.

Then in 1973 the President began finally to act the militant conservative—where the budget was concerned. The 1974 budget, submitted in January 1973, represented the sharpest break of his presidency. Now he would cut federal spending by a noticeable amount, and almost entirely on the domestic side. Inflation

was a major problem, and a spending cut was infinitely more palatable than a tax increase. Some \$2 billion was cut from the defense budget, but more than \$10 billion from the domestic side. This \$10 billion was accumulated not merely by trimming expenditures on space, transportation, parks, and the like, where no national policy issue was involved in the reduction, but reflected a \$6 billion shift away from social grant programs from Great Society days—in health, education, manpower training, housing, environmental control. Here Nixon intended not simply to cut spending, something Eisenhower and George Humphrey had tried to do. He wanted that power to flow back to somebody outside Washington, and revenue sharing, enacted in 1972, was the vehicle. General revenue sharing was to continue at the programmed rate of about \$6 billion a year to state and local governments, with no strings attached. Special revenue sharing, proposed to an unresponsive Congress in 1971, was put forward in a revised form in 1973. For fiscal 1974 Nixon asked the consolidation of most categorical grants into four special revenue-sharing block grants* to be spent by lower-tier governments.

The President claimed a lot for this proposed budget, which more clearly reflected his conservative leanings than any of its predecessors. His message read:

The 1974 budget proposes a leaner federal bureaucracy, increased reliance on state and local governments . . . and greater freedom for the American people to make for themselves fundamental choices about what is best for them. . . . Two years ago, I spoke of the need for a New American Revolution to return power to people and put the individual *self* back in the idea of *self-government*. The 1974 budget moves us firmly toward that goal.⁶⁶

Brave words. (Over at the *National Review*, they must have wondered why they had not been spoken in 1969). The principle strategy for achieving this end, Nixon's economic counsellors

* In manpower training, urban and community development, elementary and secondary education, and law enforcement assistance.

frankly told the Congress at hearings on the budget in 1973 and 1974, was to cut back on ineffective grant programs by omitting them from new budgets and impounding voted funds, while adding revenue sharing to provide lower governments with resources to be used as they wished. This would keep total federal domestic spending about the same, in theory.

Questions have been raised among ardent fiscal conservatives about Nixon's personal sense of urgency about all this. The record shows much delay, and much caution. To the Nixon circle, the key to the eventual outcome (which was disappointing) was the Democratic Congress. Unquestionably the Congress did not agree that its social objectives could and would be better achieved by cancelling its own legislative record going back to the early 1960s and then mailing money down to governors, mayors, and county supervisors. Congress changed the 1974 budget in important ways. Special revenue sharing was largely rebuffed, general revenue sharing kept small. The President, caught in an internal crisis that sapped his strength from a hundred cuts, was not a strong antagonist. Occasionally resolute, he would impound or veto social spending. But frequently some political calculations known only to himself would lead Nixon to go along with Congress toward an active national role, such as in the enlargement of the food stamp program, Medicare and Medicaid, increases in social security benefits, on more aid to the humanities, arts, and education. In February 1974 he had another chance to show what he would prefer in an ideal world, when he sent down the 1975 budget. It was not quite so militant as the year before, but clearly a Republican conservative had fashioned it. Military spending was up \$7 billion with projections for increases through the decade. Some \$19 billion more was added for social security and other income maintenance programs. A \$3-4 billion dab was added to environmental and mass transit spending. Social grant programs were again squeezed, for in holding such spending to roughly 1974 levels Nixon was letting inflation cut the budget in those areas for him. Congress, of course, changed this somewhat, but Nixon had made a small mark. From 1972-75, spending on education, community

development, and manpower training was held while inflation eroded their relative position in the budget. That was the largest scalp he had taken. The budget data for 1960-75 show little other signs of a militant conservative. Shockingly, the 1975 budget revealed that spending on income maintenance ran higher than on defense for the first time in American history.

In shaping federal budgets, Nixon must be conceded constraints of towering proportions. Congress was in Democratic hands, and never liked him. But Nixon had conservative critics who do not think he seized the opportunities available. For a man who advised that we lower our voices, he made unusually grandiose claims for his major idea, revenue sharing. It cannot bear the ideological weight he placed upon it. Revenue sharing was not, in fact, a conservative idea. It was proposed by a Task Force appointed by Lyndon Johnson in 1964, and its possibilities were ideologically varied. General revenue sharing might well have made the nation's tax system more progressive by substituting federal taxes for state and local ones. With certain standards, it could redistribute income from rich states to poor ones. Or it could be designed to let local governments drop their progressive taxes and hold to regressive ones. Everything depended on formulas and standards in the enabling legislation.

The bipartisan revenue sharing law of 1972 was muddled. It is not clear just what it allowed and encouraged local governments to do with their tax and spending plans. In any event, general revenue sharing provided only 5 per cent of state-local governmental funds, and would have little impact either way in any direction. It may have been new, but it was not a revolution. As for special revenue sharing, which was to replace Lyndon's profusion of categorical grants, this tactic did not put much power in flow to the provinces, either. Grants only constituted 9 per cent of the federal budget in any case. Nixon consolidated some of those into special revenue sharing, which was a sane move in any administrator's book. But there were some federal strings even in special revenue sharing. Some power flowed to lower governments. The effect was not cosmic.

The federal budget is of course not the only place to look for

the currents of power. Nixon caught little public attention with his budgetary efforts, since they were cautious, circumscribed, hard to measure at the end. But many people noticed how he arranged for certain kinds of power to flow up to Washington—specifically, to the White House. The White House staff nearly doubled in size under Nixon, and the President through his staff secured extraordinary influence over parts of the federal bureaucracy that had formerly been relatively independent—the Bureau of Internal Revenue, the CIA, the FCC, even the Bureau of Labor Statistics, to name only a few institutions feeling hot presidential breath in the 1970s. This sort of thing was not what conservative doctrine had proposed. The New American Revolution moved power around in ways that did not fit with the script.

Apart from his impact or lack of it on the locus of power, Nixon kept his admirers and detractors off balance in other ways. He chided Congress for failing to pass his environmental legislation. He proposed a more expensive welfare plan than any yet heard of, with a guaranteed annual income from the government. He supported an expansion of the liberals' food stamp program. He went to Red China. Great Society programs lived on into the 1970s, Nixon only whittling away at them gradually. The agency at the heart of the War on Poverty, OEO, for example, lasted until 1974. John Mitchell is said to have advised: "Don't watch what we say, watch what we do." Watching what they did, one finds that it was not always what they said they would do.

For this there are surely many explanations. Some are embedded in the structure of American politics. All presidents have promised change in the government's size and functions, and have fallen short of announced goals. The budget is very difficult to alter, almost impossible in the short run; the bureaucracy has its own goals, and tenaciously and resourcefully resists any change but the expansion of whatever it had been doing; Congress resists reforms of any kind, Left or Right, and Nixon faced large Democratic majorities which protected Great Society programs. Constituencies for existing programs are alert, consti-

tuencies for imagined new things are dispersed. Nixon said, "That is the watchword of this administration: reform"; but like FDR, Eisenhower, and Kennedy, all of whom promised wonderful new departures, he didn't get much from the system, in part because it is designed to resist reform.⁶⁷

This explains something of the shortfall of conservative expectations, but it does not go far enough. The activism of 1969—the year in which Nixon asked for FAP, proposed a population commission, launched reorganization, decided to keep Model Cities and OEO and other Johnsonian programs—was traceable in some important degree to Moynihan's influence. He is said to have convinced Nixon to follow the Disraeli model, taking the liberal program away from the liberals and managing it in a Tory way. Neither man has denied the influence of Moynihan's ideas, but still the nub of things is Nixon, not the extraordinarily persuasive Harvard professor.

Nixon's mind is not easily penetrated. He leaned toward traditional conservative ideology, but the evidence strongly suggests that he had no convictions. It was always said of FDR that he was a pragmatist unhampered by doctrinaire views, and much argument has been conducted around the extent to which he actually had underlying social purposes beyond the possession of power. Whatever the extent of the social purpose at the center of Roosevelt's pragmatic nature, Nixon pretty clearly had less. Men close to him such as Richard Whalen, George Romney, and Wally Hickel have publicly concluded that there isn't any inner Nixon. "I don't know what the president believes in," Romney once said, "maybe he doesn't believe in anything."⁶⁸ And a senior White House aide told Allen Drury: "If Nixon has an over-all policy, I wasn't able to find it when I was working over there."⁶⁹

Romney, Whalen, Hickel, and other Republicans who left the administration with varying degrees of disillusionment are convinced that the exceptional philosophical vacuum within Richard Nixon was a fatal flaw. John Ehrlichman admitted that Nixon had no philosophy, but did what was feasible and tactically shrewd. And he thought this right and proper for a chief

executive in a turbulent, changing era. Richard J. Whalen, a writer in the 1968 campaign, heard Nixon himself say: "Flexibility is the first principle of politics."⁷⁰ I will not venture into this thicket, which to some extent is produced by loose use of terms like "pragmatism." More important for present purposes is to recognize the opening which Nixon's exceptionally opportunistic outlook gave to the Planning idea.

For in the end he presided over a more rapid evolution toward Planning than any other president since FDR. Perhaps Nixon himself would be surprised to see these actions summarized: encouragement to national growth policy, encouragement to population policy including appointment of a population commission, establishment of a national goals research staff with suggestions that it become a base for social reporting, a proposed radical reorganization of executive agencies by function, establishment of the Domestic Council for integrated policy consideration, support for national land-use policy, and a dozen lesser actions to encourage forecasting and long-range projections. These are the building blocks of the planning mode, and if pursued far enough must lead to comprehensive national Planning.

Nixon would have been shocked at this extrapolation of certain elements of his presidency. After all, he was the man who said: "God knows, you turn the social planners loose and it is sorry," and similar sentiments.⁷¹ His interest was in international politics. He had even written an article published in the journal, *Foreign Affairs*. Domestic affairs bored him, unless they were directly related to his own political future. He told Halde- man in late 1969 to get the Domestic Council going so that he could at last devote all his time to foreign affairs, where a Democratic Congress could not frustrate him.

After the 1972 election he confided to Theodore H. White: "I've always thought this country could run itself domestically, without a president. All you need is a competent Cabinet to run the country at home. You need a president for foreign policy."⁷² Before the tapes were released, we would have said that this obviously intelligent man by his own admission reserved his

deep thoughts for international issues. Actually, considering what the tapes reveal, it seems better to say that he cared only about international issues, but didn't really think deeply about them, either. Perhaps he thought deeply about the theatrics of being president, about how to stage a dramatic international move. Certainly he was good at this. But we know that most of the details of international life bored him just as did all the details of domestic life that did not have to do with voting. Haldeman asked him in June 1972 whether he had received a report that the British had floated the pound:

NIXON: "No, I don't think so."

HALDEMAN: "They did."

NIXON: "That's devaluation?"

HALDEMAN: "Yeah. Flanigan's got a report on it here."

NIXON: "I don't care about it. Nothing we can do about it."

HALDEMAN: "You want a rundown?"

NIXON: "No, I don't. . . . It's too complicated for me to get into."

When Haldeman went on to report Arthur Burns's concern about the speculative pressure on the lira, Nixon replied: "Well, I don't give a (expletive deleted) about the lira."⁷³

These characteristics of Nixon's mind were not unusual. Many politicians with higher ambitions do not give themselves the time to develop genuine convictions on the forbiddingly complex issues vexing this society, are not really interested intellectually, only politically, to ride the turmoil upward. Strong convictions are inherently dysfunctional in politics. Historians mostly argue, pointing to the Hoover-Roosevelt episode, that a degree of opportunism is absolutely required in national leadership to prevent doctrinaire attachment to beliefs that have been made obsolete by change. However this may be, Nixon, to a far greater degree than those pragmatic opportunists Lyndon Johnson, John Kennedy, or even Eisenhower, was a man without a durable set of prescriptions for domestic America, and without serious intellectual interest in it. Liberals in 1969 feared that he would implement the simple, anti-government views of subur-

ban Republican conservatism to which he had always paid tribute. Since he did lean toward those views, and attracted like-minded men from Pasadena and Seattle and Chicago and elsewhere, Nixon did make many speeches with a distinctly Hooverian ring that went over well among the businessmen of Peoria. But little of the architecture of his administration reflected a conservative crusade.

For he found when he reached the White House, especially in the early days, that bright people he respected were not advising him to let the marketplace reclaim its benign power over the American future. He respected the brilliant Moynihan, Nixon's trophy from the New Frontier, and Moynihan steered him toward a form of conservatism that the man from Whittier and Duke Law School had never encountered. This was an activist, interventionist conservatism, which understood that only enlightened social management by national government could anticipate and deflect the threats to social stability and national security posed by concatenating technological change. It required Planning. This was not just Moynihan's view, or it would not have carried much weight. Nixon got these views, as Johnson had before him, whenever he consulted the senior bureaucracy in Washington or experts from the universities and think tanks.

He also got planning advice when he consulted the nation's business elite. There were exceptions, of course. But this was not the 1930s, when rugged individualists like Tom Girdler or Sewall Avery or Henry Ford, self-made men who came up through the production end of the business, fought a holy war against social regulation. A different perspective had grown up among the larger capitalists. After a generation of cold war and forty years of the regulatory state, they had come to appreciate the stabilizing effect of a government-business cooperation. They preferred Johnson to Goldwater, when that choice was suddenly proposed. Large-horizoned businessmen realized what only a handful had appreciated in the 1930s, that the enjoyment of life in America by people who had hustled and succeeded was in fact more threatened by uncontrolled social change than it had ever been by the haphazard meddling of the liberals. More im-

portant, the modern business elites were trained managers, steeped in the managerial ethos as it had evolved to cope with large enterprises. They used the language of systems analysis, preferred to make decisions surrounded by cost-benefit studies, insisted on adequate data and projections, worked toward the orderly meshing of institutional components to balance centralized authority with the incentives of decentralization.

The Democrats discovered this sort of businessman when Robert McNamara came to the Defense Department. In Nixon's official family, two of the most forceful and influential men of this sort were Litton Industries' Roy Ash, head of the reorganization study group and director of OMB and Treasury Secretary John Connally. Some old-fashioned "conservatism" might be found in the talk of such men, meaning by that a preference for less regulated markets. But the modern executive, and the lawyers and economists and statisticians and engineers who served with them, had by the late 1960s thoroughly absorbed the planning ethos. If the government were inevitably to be involved in some necessary activity, they would naturally recommend that its dispersed and contradictory doings be centralized and rationalized, that its scattered agencies be controlled by proper review, that goals be defined, costs and benefits weighed along alternative lines, thought be given to emerging problems, constant feedback be institutionalized. Any president would have received such ideas in the 1970s. They had been dimly heard as far back as Theodore Roosevelt, then with mounting pressure, forcing the evolution of the ramshackle system of government management toward Planning in the ways we have surveyed. When Richard Nixon had this sort of advice, from Pat Moynihan and Ash, from Romney, from his civil service, from businessmen and lawyers serving on commissions, from John Ehrlichman who had practiced zoning law in Seattle and long been a member of the American Institute of Planners, he let them shape his unshaped domestic strategies. The Planning impulse found a receptive president, himself a man with a strong sense of order, a desire to take the offensive and be a reformer, and a shrewd appreciation of the political advantages of

having a "positive" as well as a "negative" thrust in his presidential performance. "He attacked planning," James Reston had presciently said of Nixon as early as 1962, "but planned everything."⁷⁴ So planning flourished, and Planning stirred, in Washington while Nixon was president. One is reminded of a comment of Walter Lippmann, writing in 1935: "Does not . . . history . . . teach us that radical transitions in a nation's life are best carried through by conservative men?"⁷⁵

As we know, this remarkable evolution was arrested during 1971-72, then to considerable extent reversed. Nixon had advanced toward Planning on several fronts because he had an open mind, and was receiving Planning advice without anybody using that word, at least obtrusively. And the actions being recommended did fit with his general inclination toward order, toward centralized, effective power in his own hands. Then when Haldeman and Ehrlichman had replaced people like Moynihan and Burns, and when a close Republican look could be taken at Nixonian-sponsored ideas like growth policy, population policy, land-use policy, and social reporting to monitor progress toward explicit national goals, the administration drew back. All that remained of the early broad advance toward effective social management were those reforms that strengthened the President's grip upon the bureaucracy—reorganization, which he could not pry out of Congress, and the Domestic Council-OMB-White House staff innovations which we have observed. Impeachment fears had something to do with the abruptness and thoroughness of this retreat, as Nixon began to work toward a clearer traditional Republican image so as to rally his natural supporters. The entire cycle had taken but half a decade, and in the turmoil of the era it was not easy to perceive. Orange County perspectives had easily given way in 1969-70 to sophisticated planning perspectives from New York-Cambridge academic and corporation sources. But the roots had been shallow. He was still Richard Nixon, and whatever he did was tentative.

Would it all be washed away in Watergate? Some might argue that there was little to wash away. There cannot have been much in the way of a Planning apparatus or spirit, for the

commodity and energy crises were neither anticipated nor adequately managed when they arrived. Whatever Nixon had done to bring a Planning capability, the government he headed was to all appearances still the same reactive, short-term, crisis-management system it had always been. Conservative economist Pierre Rinfret put it: "We accuse this administration of totally miscalculating the need for advance economic planning before it got into office and for being totally unprepared once it did."⁷⁶ And Jeb Stuart Magruder spoke from closer to the center, of the general atmosphere of decision-making: "At the White House we had often talked about long-range planning, but we rarely did it—we were almost entirely crisis-oriented."⁷⁷

Apart from these observations of the administration's un-planning mode of operation, one calls the roll at the end of the Nixon era and finds almost none of the contemplated parts of a Planning apparatus in their places. Despite presidential talk, there was no reorganized executive branch, no national land-use planning, no national population Policy, no national growth Policy. Manpower policies remained fragmented, had even been substantially remanded to the states and cities. Incomes Policy had been given a trial that set it back considerably. Energy policies were in confusion, but at least the need for coherence and rationality there had been recognized. Only at the very center, at the White House, had the government's decision-making capability been markedly rationalized, with the establishment of the still-to-be-proven Domestic Council. Small progress had been made in social accounting, most notably the publication in 1973 by OMB of a document called *Social Indicators* which was much more sophisticated than the 1969 *Toward a Social Report*. But no one claimed that the United States had anything close to a system of social reporting, or a demonstrated desire to match its economic with its social self-knowledge. On the Hill, where the President of course had only an indirect influence, just the first steps had been taken toward a technology assessment capacity, and reform of antediluvian budgetary procedures was months away.

This summary, factually true enough, misses the significance

of what had happened, and it must be amplified. Certainly re-election passions, and Watergate, had halted and then to some considerable extent reversed the thrust toward Planning which had been felt from the Nixon White House. But time will lead us to see the 1971-74 period only as a moratorium (it may well extend through 1976, a matter for the next chapter). The extent to which the Nixon era educated the civil service, other federal politicians, and the influential public in the themes of Planning as a path out of contemporary crisis is probably unmeasurable. Steps were taken, institutionally as well as intellectually, which would not be retracted. Nixon's own contribution to this national development, as these pages reveal, is difficult to assess with precision. He was the elected head of America's conservative party, and in the end he failed to give what passed for conservative ideas a vigorous and effective realization in the 1970s. But these ideas for the most part were a narrow set of class prejudices not viable either politically or socially. Another Nixon—it sometimes seemed—saw much farther, and made a try at the Disraeli role, attempting to lead the powerful, suspicious, defensive American conservative elites and their working class following toward a new and yet still conservative social philosophy. This was a vision of social stability through international conciliation abroad and orderly Planning at home.

Of the international side of this we shall not speak, except to say that the performance, while wobbly, was widely acclaimed a success. As a domestic leader of enlightened conservatism Nixon also ventured out, and here he fell far short, ruined in the turbulence of re-election politics, Watergate, and personal irresolution. But in the process Nixon made a contribution which remains an important part of our political landscape. When he writes his memoirs the ex-president is not likely to claim the contribution I sketch here. Yet whether consciously or not he managed to rough in the outlines of a conservative form of Planning, and presided over an educational era which legitimated for American conservatives the idea that Planning is preferable to the inept and inflationary broker political economy with which we even now attempt to navigate the last third of

the twentieth century. The era of Planning was still over the horizon when Nixon returned to San Clemente, but the discussion of Planning—what kind, directed toward which social ends—could now begin in the United States.



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Chester L. Cooper
August 9, 1973

A Proposal for Developing a Capability at the National Level
for Strategic Policy Assessments

"There is every reason why a state should make use of forethought. A century is as nothing in its life, and yet how many acts do legislatures, congresses and parliaments pass for the benefit of coming ages? We seem willing that the earth should be largely used up in a generation or two." - J. B. Clark.

Introductory Note

This paper argues for developing a Strategic Policy Assessment function within the Executive and Legislative Branches and presents a proposal for organizing staffs within each Branch to undertake this function.

The paper has its genesis in a Government Policy Forum held at the Woodrow Wilson Center on May 10. A working group from among the participants of that Forum met on three occasions to engage the issue and, in due course, a paper was prepared to serve as a focus for a subsequent Government Policy Forum which met on July 30. The discussion and the proposals below reflect the sense of the working group and is responsive to many of the views expressed at the larger meetings of May 10 and July 30.

Annex I contains a brief exposition of an alternative institutional approach discussed, but not adopted, by the working group as a whole. Annex II contains the list of the participants of the May 10 and July 30 Forums (Members of the working group are identified by an asterisk).

Both the proposal and Annex I, of course, reflect the personal views of the working group members and are in no sense departmental, agency or Woodrow Wilson Center positions.

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The Problem

The United States (and other industrially advanced countries, as well) is confronting a wide range of problems, some already acute and some evoking the proverbial cloud that is "no bigger than a man's hand," some known in detail and some whose dimensions are still only vaguely perceived. As will become apparent, these problems have three distinctive characteristics: they call for a long-range perspective; they call for interdisciplinary analysis; they call for inter-departmental action. This is not necessarily a new phenomenon. We now see with the clarity of hindsight that problems of this nature have been confronting us for many decades. But our society has become increasingly complex and interdependent. There is now a growing recognition that problems with long-term implications and broad dimensions cannot continue to be dealt with on a day-to-day, ad hoc, piecemeal basis.

It is fair to say that, despite the plethora of "planning staffs" scattered throughout the Federal structure and despite certain formal or informal mechanisms established for inter-agency discussion, no arrangements for systematic, integrated, long-range planning exist within the United States Government - nor, except in times of grave crisis, have they ever existed. Rather, for reasons of inertia, jurisdictional jealousies, the demands of our four-year election cycle, and perhaps even an innate suspicion of the planning process itself, Americans have typically waited until a warning signal evolved into a problem and then escalated to crisis proportions before undertaking remedial measures. Quick fixes, crisis management and damage limitation have been the operative concepts. Our current energy "crunch" is a dramatic case in point.

Existing Arrangements

We should acknowledge that our policy process is not dominated by a capricious, mindless, wishful approach to the present and the future. The Mr. Micawbers rarely reach positions of responsibility in our society; our system of government is neither atomistic nor strait-jacketed. Able and far-sighted officials are served by highly professional researchers, planners and statisticians. Many elements of the government (the Department of Agriculture, the Federal Highway Administration, the National Park Service, the Census Bureau to name a handful) have long been engaged in long-range projections and planning. A Federal Council Committee on Forecasting Models was established in 1972 to monitor the quality of forecasting throughout the government. A new responsibility for science and technology policy has recently been given to the National Science Foundation. The new Energy Bill provides for long-range research and development in this critical area. And, of course, there are a host of inter-agency task forces and committees to say nothing of the President's Domestic Council, CEQ and CEA, Cabinet meetings and informal communications among administrators and analysts.

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Congress, for its part, recently established the Office of Technology Assessment and has before it, or has in preparation, a host of relevant legislation including bills by Senators Jackson, Humphrey, Mondale, and Hartke and Congressman Dingell.

But having made these genuflections in the direction of the worthy efforts long extant or now in train, it remains the lugubrious case that no systematic inter-agency, long-range planning with respect to major national domestic problems is taking place. It is to this proposition that the following discussion is addressed.

* * *

A Strategic Policy Assessment Staff for the Executive Branch and for Congress

The basic objective of an Office of Strategic Policy Assessments* ("OSPA") in the Executive Branch and its counterpart in Congress should be to improve national decision-making as it relates to long-term policies. More specifically, these groups should endeavor to identify emerging long-term trends and problems, formulate and evaluate alternative courses of action to deal with them, and evaluate the effects of actions that have been put in train. This objective presupposes, of course, a continued assessment of social values and preferences.

The specific types of problems that call for Strategic Policy Assessment have several things in common:

- . They involve actions which although taken now, will bear results only after a substantial period of time, or actions which, although taken now, limit the range of actions which can be taken in the future. The time focus will normally be in the five to twenty-five year range.

- . They are multi-faceted and inter-related national issues of consequential domestic importance which require an integrated (e.g., inter-agency) approach for their analysis and solution as distinct from those amenable to narrow disciplinary or departmental analysis and action.

- . They involve a wide, but not an indiscriminate array of domestic issues of significance to broad segments of the American society as opposed to narrow sectoral or local questions.

* The term "Strategic Policy Assessments" rather than "Long Range Planning" has been selected for two reasons - one frankly tactical, the other substantive. There is a long-standing and probably justifiable popular suspicion attached to national "planning"; it appears to evoke an image of a centralized ordering of American life much in the way it occurs in countries that have "planned economies." More importantly, what is conceived of here is not the development of detailed tactics and closely adhered-to targets, but rather a more analytical and conceptual process.

. Although they are primarily domestic issues, they may be, in the last analysis, created or at least exaggerated by international events or trends and their resolution may have important international implications.

Some Examples

(a) Water resources. There is need for "strategic assessment" of the long-term water resource problem. Water resource policy is directly related to growth and environmental policies and, to a lesser degree, urban land use (e.g., use of flood plains), agriculture (e.g., irrigation), transportation (e.g., waterways), recreation, etc. There is even an international dimension in terms of American relations with Canada and Mexico.

(b) Forests. A "strategic assessment" of forests would examine long-term needs for wilderness and recreation compared to the commercial need for lumber both for domestic and export purposes. It would also examine the potential productivity of private and public land, opportunities for increased productivity on the best lands, technology changes (e.g., use of hardwoods to replace soft-wood uses), increased costs if supply lags behind demand, substitution potentials, foreign trade and environmental implications of various choices.

(c) Agriculture. The issues here, as in other examples, are complex in character and long-term in implication. Environmental considerations, overall growth policy, demographic trends, research and development with respect to production as well as distribution and consumption, energy use, population distribution, water availability, metropolitan growth policy (and thus transportation), foreign trade, international monetary issues, foreign aid and overall foreign policy issues must be addressed.

(d) Energy. Perhaps the most dramatic current example of a long-range issue calling for the kind of analysis and evaluation we have in mind is the energy problem. The energy issue involves not only technological, research and development policies, but a mix of environmental, economic, social and foreign policy considerations.

(e) Economic Growth. This would involve a "strategic assessment" of the mix of probable future demands for energy and selected raw materials, population growth, private and public services, foreign and domestic, fiscal and economic policy, and other factors affecting and affected by changing patterns and rates of economic growth.

(f) Growth of Metropolitan Areas. A policy for planned growth of metropolitan areas should examine the carrying capacity of various environments across the country in an effort to determine whether a more optimum population distribution is desirable and feasible. If it were determined that a metropolitan growth strategy is desirable, an assessment should be made of such tools as preference for Federal contracts, water resource projects, transportation facilities, and the like.

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(g) Housing. A "strategic assessment" of long-range housing policy choices would involve, inter alia, an examination of the relationships among urban and inter-urban transportation programs, forest policy, new technologies, labor issues, demographic trends, recreational facilities, and social programs. It would also entail close dove-tailing with policies relating to economic growth and growth of Metropolitan areas.

(h) Transportation. The development of a long-range strategic transportation policy obviously entails an examination of the appropriate mix of various urban, inter-urban and long distance approaches to the movement of passengers and freight. In addition, long-range pollution and energy issues must be factored in as well as considerations of national economic growth, the long-term development of new communities, and the problems of existing metropolitan areas.

(i) Social Programs. Clearly there is a need here for "strategic assessment." Crime prevention, recreation, health services, education, housing, demographic trends, growth issues, the challenge of more leisure time all affect the choice evaluations.

(j) Changing work patterns. A "strategic assessment" would examine the implications of a greater amount of leisure time as a result of a shorter work week and earlier retirement. Effects on the work force and the full employment doctrine, and requirements for recreational facilities, health services, and educational programs must be considered.

* * *

Where the Strategic Policy Assessment function should be placed within the Executive Branch and within the Legislative structure is by no means a trivial bureaucratic issue. Two alternative arrangements in the Executive Office and a suggested arrangement for Congress are presented below.

Within the Executive Branch

The Office of Strategic Policy Assessments should be placed in the Executive Office of the President. Whichever of the two following organizational options is selected, the internal structure of OSPA would be generally the same.

It would be premature and possibly even presumptuous to attempt in this brief compass and at this preliminary stage to spell out in detail the internal organization of OSPA. On the other hand, some discussion of the recommended size and composition of the group may provide a sense of how the organization will carry out its functions and a feel for its operative style and thrust. What is contemplated is a lean, high quality staff with an overall annual budget of approximately \$10 million and with an additional \$2.5-\$5 million annual budget for external research and consultants.

Since OSPA will address selected important problems from an interdisciplinary, or at least a multi-disciplinary approach, its leadership and

its staff should be drawn from a broad mix of quantitative and qualitative backgrounds. Technologists, sociologists, economists, social accounting specialists, political scientists, environmentalists, systems analysts and perhaps many more types of experts will all play important roles. The Office should be headed by a respected expert in one of these fields who, obviously, is also familiar with the intricacies of the Washington policy formulation process. He should have as his principal deputies, two or three outstanding and broad-gauged representatives from the relevant fields (assuring a good balance between the "hard" and the "soft" disciplines).

The staff should be small (more than 30 but less than 50) comprising an appropriate mix of substantive expertise. The staff would function primarily as managers of policy-oriented research projects carried on by personnel in appropriate government agencies and/or outside contractors. As part of its regular responsibilities and as a way of maximizing its impact on emerging policy problems and issues it should have an opportunity to review and comment on the President's budget as well as the longer term implications of resource allocation decisions, major Presidential policy statements (e.g., the Energy Message and the Economic Message), and legislation which has significant long-term policy implications (e.g., the Clean Air Act and the Land Use Bill).

* * *

There are two alternative organizational arrangements within the Executive Office which seem to hold promise: placing OSPA within the Office of Management and Budget; or creating a new independent Agency within the Executive Office of the President.*

Within OMB

The rationale for placing OSPA within OMB is that OMB has responsibilities for resource allocation, legislative clearance and departmental coordination. The close organizational tie between these functions and the function of strategic assessment would probably increase the effectiveness of OMB in its decision-making role. Certain changes within OMB would, of course, be necessary if the strategic assessment function was assigned there. For example, since Congressional and public interest groups should play an important role in the strategic choice assessment process,** OMB would have to be restructured to insure that this communication is encouraged. Presumably, the strategic assessment function would be organized as a separate group within OMB, but possibly located physically away from the high pressure atmosphere of the Office.

An Independent Agency within the Executive Office

As noted above, the organizational structure for OSPA would probably be the same whether it was placed within OMB or functioned as an

* But see, also Annex I for a third option suggested by one member of the Working Group.

** This is discussed in fuller detail in a later section.

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independent agency. Aside from more flexibility, the principal argument for organizing a separate entity is that the identification of emerging problems and the formulation of policy options might best be conducted by a staff removed from day-to-day decision-making responsibilities and by an official with direct access to the President. The OMB Director, for example, might find it difficult to devote adequate attention to longer-term problems given the pressure for near-term budget and management decisions.

The Trade-Offs

Putting OSPA into OMB would provide it with direct access to the important related budget and legislative processes. But the strategic assessment function might become a residual claimant for the time and attention of the Director and his principal subordinates.

The creation of a new separate agency has, on the face of it, certain obvious disadvantages. Moreover, there is a danger that the group might become isolated from the gut-aspects of decision-making and from the decision-makers themselves - the "ivory tower" syndrome. (This should also be reckoned with if the group is placed within OMB but physically located outside of Washington.) But there would be a significant merit in having the strategic assessment function become the sole responsibility of a prestigious "Council" whose head reported directly to the President.

* * *

Research and Analysis Support

Whichever organizational arrangement is selected, it is clear that a group of the size contemplated would be unable to undertake a major research effort on its own. Indeed, it is doubtful whether this would be appropriate. OSPA should, rather, stimulate and sponsor supporting research and analysis from organizations and institutions within and outside the Federal government. (We have already noted that OSPA should have a budget ranging from \$2.5 to \$5 million for such purposes.)

Substantial facilities for research within the public and private sectors already exist and some of the necessary research activity is already going on. The RANN Program of NSF, the Institute of Education, the research programs sponsored by HEW and other government agencies might prove fruitful.

What is needed is focus and direction of current and new research. This implies an organized and interrelated network of research and analysis institutions, covering each major broad area (land use, resources, environment, transportation, health, etc.). OSPA would have as one of its major tasks the encouragement, possibly even the development of such a research capability outside the government structure.

In addition to supporting research focussed on the problems entailed in strategic assessment, there is a need for close contact with analytical

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efforts being undertaken elsewhere in the government. The effectiveness of a strategic assessment function at the Executive Office level would be increased with the establishment of departmental and agency assessment staffs with responsibility for identifying emerging problems and policy alternatives within the jurisdiction of their own organizations. These groups could feed their analyses and findings up to OSPA as well as to their own departmental superiors.

Organizing a Strategic Assessment Function in Congress

The very nature of the problems addressed here implies a close partnership between the Executive and the Legislative Branches. However the assessment function is organized within the Executive Branch, a companion organization should be established to serve the requirements of Congress.

Since Congress is, if anything, more fragmented than the Executive Branch, and since the professional capabilities of Congressional Committees need substantial upgrading, the strategic assessment function should not be grafted on to any of the existing Congressional Committees. A possible exception here would be the Joint Economic Committee whose charter could be broadened and staff strengthened for this purpose.

A new Committee along the lines of Senator Humphrey's proposal,* a "Joint Committee on Balanced National Growth and Development," might be the answer. On balance, however, it would seem preferable to assign the assessment function to the new Office of Technology Assessment. OTA, although its direction is not yet clear, includes within its mandate not only technological, but also many of the social concerns contemplated in the term "strategic assessment." For a variety of historical and other reasons, neither the Congressional Research Service nor the General Accounting Office, the other central staffs of Congress, seems as suitable a base.

It is likely that the OTA will employ a combination of direct staffing and contract operations which could give it access to a broad range of analyses bearing on long-term strategic choice. The Office will function under a statutory Board of Technology Assessment composed entirely of members of the House and Senate; the Board is essentially a joint committee. Thus the work of the Office will be fed into the direct operations of Congress through a board of serving members, an arrangement which could prove a highly constructive link between the research community and the decision-making community.

The establishment of a strategic assessment staff as a distinct entity within OTA and operating, preferably, under its own Deputy Director could provide a logical focus for overseeing and filtering the output of a parallel group in the Executive Branch. Such a group could disseminate its assessments, and its evaluations of other agencies' assessments, to Congress at large. In addition, since OTA's Board members represent a cross section of important legislative interests, its analyses would probably be widely circulated among a number of Congressional committees. As the

* A Proposal for Achieving Balanced National Growth and Development, a proposal submitted to the Sub-Committee on Economic Progress of the Joint Economic Committee, Congress of the United States, Feb. 26, 1973. U.S. G.P.O. 1973.

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first new information arm of Congress in half a century, the OTA affords a rare opportunity to invest the strategic assessment function in an institution with symmetrical objectives and substantial resources.

The complexity of the matters at issue will exceed the research and analysis capabilities of any Congressional Committee staff and even those of a highly professional Office of Technology Assessment. And so OSPA's Congressional counterpart, like OSPA itself, will need outside substantive support. An annual budget (in the range of \$2.5 to \$5 million previously suggested for OSPA) for external research and for consultants would be required if Congress is to be as well-served in this area as the Executive Branch under either of the options presented above.

The effectiveness of an Assessment Office in the Executive Office of the President and of a counterpart staff on Capitol Hill will depend, in large part, on close and frequent consultation between the two. One important link might take the form of an annual Presidential Message on Growth and Development along the lines suggested in Senator Humphrey's Bill. Such a Message would contain specific legislative proposals discussed in advance between the strategic assessment staffs of both Branches of government. On a more routine, day-to-day basis, there might be a joint "watch tower" effort to identify emerging problems. A joint approach to contracting outside research might be another device to insure close cooperation between the assessment staffs.

* * *

Broadening the Base of Strategic Assessment

Whether OSPA is located within OMB or takes the form of a separate new entity, and whether the strategic assessment function is performed in Congress by OTA or a special committee, rigorous efforts must be made to avoid an iconoclastic, "elitist" mode of operation - "OSPA (or OTA) knows best." Although there is no substitute for the determination of senior officials and staff members to seek guidance and share their wisdom widely throughout the government and the private sectors, certain arrangements might help to stimulate and institutionalize this kind of communication. What follows is primarily directed toward a strategic assessment function within the Executive Office, but similar arrangements with appropriate modifications could apply to Congress, as well.

The establishment of a Federal Advisory Board, consisting of senior representatives from relevant Departments and Agencies, would help to prevent OSPA from becoming isolated from the rest of the government and would provide a high-level, two-way channel for the flow of guidance and information. In addition, a Public Advisory Board would assure communication with the world outside of Washington. Such a Board should consist of representatives from universities, foundations, industry, environmental groups, labor, and other relevant groups.

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Aside from the more formal contacts with advisory groups, it is essential that the strategic assessment staff be aware of the interests, aspirations, activities and writings of representative groups in the world outside the bureaucracy and Capitol Hill. For this reason, both OSPA and its Congressional counterpart should maintain close links with state and local governments and with such non-government sectors as industry, labor, consumer and environmental groups.

Finally, both OSPA and the Congressional staff, but especially the former, should keep apprised of the activities of long-range assessment functions being performed in other industrially-advanced countries. Aside from the usefulness of exchanges with respect to methodology and substance, it will be prudent to exchange advance warnings of major new shifts in long-range national economic and social policies.

ANNEX I

PROPOSED ORGANIZATIONAL PLACEMENT OF
"STRATEGIC CHOICE ASSESSMENT GROUP"

Considering the objectives and functions of the "Strategic Choice Assessment Group" it is vital that organizational arrangements for such a group meet the following criteria:

1. The group should be isolated from political pressures but sensitive to differing political views in arriving at proposals for alternative policies and actions.
2. The group should not be identified solely with one particular branch of Government or segment of the public. (i.e. Executive and legislative branch, industry, universities, State and local governments, etc.)
3. The group should be housed in a parent organization which has continuity beyond the term of the incumbent President or Congress.
4. The group--through its parent organization--must have "clout" whereby its proposals for alternative policies and actions will be seriously weighed in the executive and legislative branch of Government. Such "clout" is enhanced if the organization is strong and is directed by prestigious individuals.
5. The group must have access to information on strategic choices being developed in the various Federal departments and agencies and outside the Government.

Commission on National Policy Choices

The group should be placed under an independent commission whose membership would reflect broad representation from various sectors. The members would be comprised of the following:

Executive Branch

Chairman, Council of Economic Advisers
 Director, Office of Management and Budget
 Executive Director, Domestic Council

Legislative Branch

Chairman, Joint Economic Committee
 Ranking Minority Member, Joint Economic Committee
 Comptroller General of the United States (who would serve both as the head of GAO and as a member of the Technology Assessment Advisory Board)

Other Groups

Five representatives from:

Industry
 Universities
 Labor
 Consumer groups
 Non-Federal governments (e.g. Council of Governments)

The President would appoint the five members from outside the Federal Government for a term of 6 years.

The Commission would prescribe broad policies to be followed by the group and provide guidance and advice to it. The Commission would be required to publish such staff reports on policy and action choices as are periodically developed by the group and may append its views as it considers appropriate to such reports. An annual report is to be made by the Commission to the President and the Congress.

Legislation establishing the Commission would authorize and direct Federal departments and agencies to assist the Commission. The President would be required to report annually to the Congress on actions taken with respect to the group's proposals for alternative policies and actions.

INSTITUTE FOR CONGRESS OFFICIALLY ORGANIZED

GRIFFITHS, RUCKELSHAUS HEAD TRUSTEES

WASHINGTON.—Official announcement was made this weekend of the formation of the Institute for Congress, a nonpartisan research organization devoted exclusively to providing both houses of Congress with timely and independent policy analysis of major policy issues confronting the United States.

Named as chairman and vice chairman, respectively, of the Institute's 15-person board of trustees were Martha W. Griffiths, former 10-term member of Congress from Michigan, and William D. Ruckelshaus of Indiana, the first Administrator of the U.S. Environmental Protection Agency and subsequently Deputy Attorney General of the United States.

"Congress and the entire American society," Mrs. Griffiths and Mr. Ruckelshaus said in a joint statement, "stand at a critical juncture. We have exhausted our 'margins of error' in dealing with complex and increasingly technical national policy choices. It is not sufficient for Congress to wait for Executive Branch initiatives, or to entrust analysis of vital national policy choices to its fragmented committee system alone."

"We fully believe," Mrs. Griffiths and Mr. Ruckelshaus said, "that Congress cannot hope to become a full, equal partner of the Executive in formulating national policy unless it has available to it superior policy analysis, cutting across committee jurisdictional lines, that lays the factual groundwork, names the options for action, and presents a clear case for alternative policies."

The Institute for Congress trustees will begin an immediate search for initial funding (\$11.5 million for the first three years) to establish an interdisciplinary policy analysis staff. In addition to experienced professionals from the legislative and executive branches, the Institute will seek to recruit from the academic and private research community individuals or outstanding intellectual achievement and ability. A five-year experimental phase is envisaged, building to a professional staff of 80 persons with \$22.5 million funding over the five years.

Initial funding, Mrs. Griffiths and Mr. Ruckelshaus said, would be sought from private philanthropic sources to provide the Institute with a significant measure of independence in its formative period. If the experiment is successful, it is anticipated that future funding for the Institute would come primarily from research contracts made with the Congress.

Preceding official establishment of the Institute for Congress with its board of trustees this autumn, a bipartisan organizing committee had been at work for three years, testing the idea and possible implementation with the Democratic and Republican leaders of both the Senate and House and a broad range of senior and junior members of both houses and parties.

While the Institute's trustees are all in non-governmental positions, the majority and minority leaders of both the Senate and House will be invited to serve as ex officio members of the board.

In addition, a Congressional Advisory Council will be established to enable most of the key legislative committees to take an active role in shaping the Institute's research

agenda. Subject to the advice of the Congressional Advisory Council, the Institute expects to place its early emphasis on problems of national security, environment and resources, health and welfare, and the social and economic implications of new technology.

In addition to Mrs. Griffiths and Mr. Ruckelshaus, the members of the Institute's board of trustees are:

Lucy Wilson Benson of Massachusetts, presently Secretary of Human Services for the Commonwealth and former president of the League of Women Voters of the U.S.

William D. Eberle of Idaho, president of the Motor Vehicle Manufacturers Association and former Special Trade Representative for the President.

Alton Frye of Tennessee, Senior Fellow of the Council on Foreign Relations, and former administrative assistant to Senator Edward W. Brooke.

Ben W. Heineman of Illinois, president and chief executive officer of Northwest Industries, Inc.

Craig Hosmer of California, former U.S. Representative (1953-75), ranking minority member of the Joint Committee on Atomic Energy, and presently president of the American Nuclear Energy Council.

Leon Jaworski of Texas, Houston attorney and former Special Prosecutor and head of the Watergate Special Prosecution Force.

Gordon J. P. MacDonald of New Hampshire, director of the Environmental Studies Program at Dartmouth College and former member of the President's Council on Environmental Quality.

Harry C. McPherson, Jr., Washington attorney and former general counsel of the Senate Democratic Policy Committee and Special Counsel to President Johnson.

Clarence Mitchell of Maryland, director of the Washington Bureau of the NAACP since 1950 and member of the Maryland Bar.

Richard B. Ogilvie of Illinois, Chicago attorney and former Governor of Illinois.

William B. Spong, Jr. of Virginia, former U.S. Senator, presently Portsmouth attorney and president of the Virginia Bar Association.

Cyrus R. Vance of New York, former Deputy Secretary of Defense, Secretary of the Army, and Special Counsel for the Senate Armed Services Preparedness Investigation Subcommittee, presently president of the New York City Bar Association.

An additional board member, presently on leave for government service, is William T. Coleman, Jr. of Pennsylvania, now U.S. Secretary of Transportation.

The members of the organizing committee for the Institute for Congress, who laid the groundwork for the Institute between 1972 and the fall of 1975, were Messrs. Frye, MacDonald, McPherson, Vance, and James R. Killian, former Science Advisor to President Eisenhower and chairman of the M.I.T. Corporation.

The Institute for Congress has been incorporated under the laws of the District of Columbia and application made for federal income tax exemption under section 501(c)(3) of the Internal Revenue Code.

WHY CONGRESS NEEDS EVEN MORE HELP

By Martha Griffiths and William Ruckelshaus

[from the Washington Star, Oct. 12, 1975]

The problem with Congress is that it has too much staff—and too little.

Staff added over the last few years now fills up extra office buildings on both the House and Senate sides, and is overflowing into nearby buildings. Yet Congress still lacks the resources it needs to deal effectively with the executive branch in formulating the public policies that will determine our national future.

The time has passed when the United States could afford to try one program after another, one budget policy after another, one weapons system after another—all on a fragmented and disjointed basis, hoping that some may work.

And Congress, if it is ever to be the equal of the executive, has to find ways to overcome its own fragmentation of committees dealing with little pieces of broad problems. It needs to have some of the best minds in America working exclusively for it, seeing serious national problems in their totality, and naming the options for national policy.

To do that job, we are working with a bipartisan group to create an independent, not-for-profit Institute for Congress.

What, one may ask, another "think tank?" Another addition to the plethora of policy institutes, government agencies, and gargantuan congressional staffs that should be doing that job already?

Our answer to that question is "yes"—and for what we consider to be compelling reasons.

First, consider the limitations in what Congress has available to it now.

The superabundance and sometimes abuse of staff on Capitol Hill have been amply reported of late. In the last 20 years, congressional employment and budgets have grown 15 times faster than the national population growth. In 1954 there were 4,500 staff persons on the Hill; now there are 16,000. In 1954 the budget for Congress' own operations was \$42 million; today it is \$528 million.

Obviously, there's a lot of empire building going on. Congress, using the same methods it asks the General Accounting Office to turn on the executive bureaucracy, might ask for a hard-headed business-efficiency evaluation of its own bureaucracy—on the theory that what's good for the goose is good for the gander.

There's a limit to how much could be cut, though. Part of the problem lies in the cascading level of citizen service demands on Congress. Then there's the burden of answering constituent letters on issues: On a particularly "hot" issue, a large-state senator may receive literally hundreds of thousands of letters. Moreover, the federal government is into hundreds of areas of American life where it never intruded before. Congress needs substantial committee staffs to hold hearings, to hear and ward off lobbyists and

executive branch opportunities, to monitor laws already on the books, and to consider the immense number of bills introduced.

But even if congressional staffs were trimmed appropriately, and even if the taxpayer was asked to shell out less for duplicating functions and political promotion activities on the Hill, the result would not necessarily be better policy formulation.

Senators' and representatives' personal staffs, for instance, would still be preoccupied with the daily demands of their offices—constituent service, case work, mail and speech writing. The pressures on any congressional office mitigate against serious policy work there. Worry about the member's reelection will always take precedence.

Committee staffs are also immersed in the intensely political atmosphere which surrounds the senators and representatives who sit on the committee. These staffs are not designed to look beyond the interests of their particular committees and of their chairmen and ranking members.

Furthermore, fragmentation of responsibility among the committees is an endemic limitation on congressional policy-making. Problems simply refuse to divide themselves into neat committee pigeonholes.

Consider health legislation, just in the House. The Ways and Means Committee has jurisdiction over Medicare and any proposed national health insurance program involving employer and employee contributions. But if national health insurance were to be financed through general Treasury appropriations, responsibility for writing the legislation falls to the Commerce Committee, and more specifically, its subcommittee on public health and environment. A number of individual health programs, including Medicaid, were transferred to the Commerce subcommittee under the committee reorganization of 1974. But there are still overlappings and potential conflicts. The Agriculture Committee is involved with Farmers Home Loan Administration grants for rural health care projects. The Education and Labor Committee asserts a role in health education in the schools and in regard to developmental disabilities. Armed Services decrees compensation of physicians and dentists in the Public Health Service. The Science and Astronautics Committee is involved in providing authorization for burn treatment centers, which Commerce claims it should control under the emergency medical services program. To top it all off, the Commerce public health and environment subcommittee has control of clean drinking water legislation—while water pollution in general falls under the Public Works Committee.

There would be no difficulty in finding other such examples on either side of the Capitol. Thus, the question arises: How will congressional committees and individual

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senators and representatives be able to pull all the pieces of policy together into a coherent whole, so that when Congress acts in a field, it knows the real implications of what it's doing?

To this one must add the sad fact that Congress, despite its enlarged staffs, is all too often outgunned and outmanned by the executive department. The Senate Armed Services subcommittee on research and development has generally deployed a single staff man to deal with a part of the defense budget that is expected to exceed \$9 billion in fiscal 1976. Yet row upon row of aides accompany the secretary of defense when he testifies before a thin line of congressional committee members and their staffs.

There is another problem, shared by personal and committee staffs alike. They are all too often obliged to react to the crises or problems of the moment. So are the special-oversight groups such as the General Accounting Office, which now employs over 5,000 persons at an annual cost which will approach \$140 million in 1976. Its primary function is to audit existing government programs, to oversee how federal money is being spent, and to see how well programs are meeting their stated objectives. Under Comptroller General Elmer Staats, the GAO has diversified and upgraded its staff in recent years in order to evaluate current federal programs.

Yet there remains a yawning gap between auditing or existing programs and the quite different task of policy analysis for the future. Indeed, it may be too much to expect any single agency to look backward and forward with equal competence. That appears to be the consensus in Congress, and we share it. Congress is too pluralistic an institution to rely on any one consolidated staff for its multiple needs.

The Congressional Research Service continues to provide support to members and staffs requiring immediate reference aid in drafting speeches, reports and responses to constituent queries. (In 1974 alone, it responded to more than 200,000 such requests!) Moreover, CRS has begun to expand its efforts to perform long-range studies of significant policy problems. In half a decade it has doubled in size and budget, up to 860 people and \$17.8 million in the next fiscal year.

It is questionable, however, whether expanding present Hill staffs will fill the gap. These staffs really have 635 bosses, and it's difficult if not impossible to refuse assistance to members or their aides when they ask for it. Policy problems of greater scope tend to get shifted to the back burner.

In our judgment a private institute could protect its professionals against unmanageable loads and target them most effectively on a carefully selected set of issues of concern to Congress.

Another major reason why we believe a private Institute for Congress should be considered relates to its potential for recruiting an exceptional group of professionals. An independent Institute could enlist people of outstanding intellectual achievement and capacity, provide them with a base of prestige, and make their work available to Congress on an ongoing basis. Indeed, there is now a changing mood in the nation's intellectual community—a new skepticism about the efficacy of the executive branch, and a new eagerness to help Congress. That talent could be harnessed if suitable institutional arrangements were made.

Those arrangements will have to include a research community of sufficient stature to permit its members to move back and forth among the great universities and research organizations, as well as devoting some years to public policy studies in the institute.

A logical question is whether the more outstanding university and research organizations already in existence couldn't fill that role, without yet another institution. The top universities and organizations like Brookings, RAND and the American Enterprise Institute do perform policy analysis of very high quality.

From the congressional perspective, however, there is a growing demand for research oriented to the specific requirements and mores of Congress. For each of the existing organizations, other missions and other loyalties are primary. In the eyes of many members of Congress, some private institutions are associated with particular ideologies—an often unfair accusation, but still a problem such groups face in having their work considered seriously by all factions in Congress.

A private Institute for Congress, in our judgment, could overcome these shortcomings.

It could provide integrated studies of multi-faceted problems which span many committee jurisdictions, putting teams of outstanding experts, themselves of varying specialties and backgrounds, to work on selected issues. Legislators would be able to see the relationship of their work to that of others dealing with a common problem. This would be a natural counterbalance to the problem of committee fragmentation.

The institute's technical skills could be used, on a contract basis, by the emerging Congressional Budget Office and the new Office of Technology Assessment.

The Institute could also protect Congress from one-sided or misleading research work by including experts of contrasting backgrounds and viewpoints on the "team" to address any major policy area. The resulting analyses would include a base of facts on which all of the research team can agree, followed by various recommendations of policy options, each argued vigorously by institute personnel.

Thus the members and committees of Congress could be assured of research that leaves no stone unturned, hides no facts contradicting some favored conclusion, and gives each major point of view its "day in court."

The realism of Institute work would also be advanced by a mix of professional disciplines and backgrounds on its staff. There would be outstanding figures from the American academic and research community, especially those with technical skills rarely found in congressional staffs (physics, engineering, systems analysis, etc.). There would be individuals with executive branch experience and current knowledge of pending problems. And there would be people with congressional staff backgrounds, men and women who have demonstrated a capacity for objective policy analysis.

Apart from its own original work, the Institute could provide an invaluable filter for the larger output of policy analysis already under way in private and public institutions across the country, and the mass of frequently valuable research done by organizations with a stake in the resolution of any policy problem.

Another value of this approach is that Congress would be able to learn about the scope of problems, and refine its own judg-

ments, before the executive branch—which has far more policy analysis resources at its command—gets locked into a position. The fact is that rigid executive branch policy positions can be as grave an obstacle to rational decision as the well-known flaws in the legislative process.

If the Institute for Congress is to establish its independent character from the start, we consider it highly desirable that its initial operations be funded privately—through foundations and the like. Then an able and distinguished staff will have to be recruited. This means the institute will need an assured life of 3-5 years to prove its worth.

An organizing committee began work on the Institute for Congress plan two years ago. This bipartisan group checked the institute concept carefully with the leadership of both parties in the Senate and House, and subsequently with a broad number of members of both houses. At the suggestion of the Senate Democratic and Republican leaders, Mike Mansfield and Hugh Scott, the majority and minority leaders of the House and Senate will be invited to serve as *ex officio* members of the board. In addition, a congressional advisory council will enable most of the key legislative committees to take an active role in shaping the institute's research agenda.

We would stress that the institute is intended as an experiment. Without burdening itself with a permanent bureaucracy, Congress can use the institute to test whether it is possible to recruit a staff of the caliber and type we propose. If, after three to five years, Congress finds the institute a valuable auxiliary, the legislators can choose to keep the institute in being on a contractual basis.

If it fails, the institute will be disbanded after the trial period. Our society has more than enough walking ghosts among its institutions. It would be refreshing to have one that self-destructs if it doesn't perform its mission.

American plan

By Robert L. Heilbroner

America is drifting into economic planning. One may deplore the fact—Herbert Stein, chairman of the Council of Economic Advisers under President Nixon, tells us that planning will make the economy "more inflationary, less free, and less efficient." One may denounce it—Thomas Murphy, chairman of General Motors, predicts that national planning will be a "prescription for national chaos, or, at best, national stagnation." One may dread it—Walter Wriston, chairman of First National City Bank, warns us that planning will destroy our personal liberties.

But I do not think one can any longer deny it. Senators Hubert Humphrey and Jacob Javits have joined forces to introduce a bill (called by Humphrey his "single most important piece of legislation") establishing a national planning agency. A roster of eminent economists led by John Kenneth Galbraith and Nobel Prize winner Wassily Leontief have endorsed the bill. So have many labor leaders, following the lead of Leonard Woodcock of the United Automobile Workers. Most surprising of all, a small but growing number of influential businessmen, such as Felix Rohatyn of Lazard Frères and Henry Ford, have spoken out for the establishment of some form of national economic planning.

Thus, for better or worse, whether we welcome it or not, under the Humphrey-Javits bill or another, I expect that within five years, perhaps much sooner, we will be officially embarked on something called National Economic Planning.

What will that planning be like? What changes would it bring to the American economy? In what follows I shall try to give plausible and realistic answers to some of the main questions that planning will force us to confront.

[from New York Times Magazine, Sunday,
January 25, 1976. p. 9]

WHO GETS PLANNED IN A PLANNED ECONOMY?

Quite properly, the first question that people ask is how national economic planning will affect their lives.

This is not an easy question to answer, because the impact of planning may be large or small, depending on what our planning effort is trying to achieve. National planning may mean an attempt to reach ambitious but narrowly defined goals—for example, converting the economy entirely to solar energy in, say, 20 years. Such a plan would have an immense impact on a limited number of people. It would do away with jobs in oil refining or coal mining. It might bring bankruptcy to innumerable businesses hitched to coal or oil and unable to find another berth. On the other side, of course, it would mean a bonanza for everyone connected with the development of solar energy. So far as the majority of households is concerned, however, it would probably mean little, until it came time to change over from gasoline-powered to electric-powered automobiles or from home furnaces to heat pumps.

But not all national planning will be narrowly targeted, and the wider and more general its goals, the larger the number of individuals who will be affected. Planning to limit inflation, for example, is likely to exert its impact on nearly everyone—perhaps only mildly, if the anti-inflation plan is limited to taxes; probably much more sharply if it includes controls over wages and salaries and profits and prices. So, too, planning to avoid dangerous economic growth might brush lightly over our lives if it required no more than slight curtailments in our use of energy (smaller cars, or higher electricity charges), or it might interfere with life very significantly if a plan sought to bring industrial growth to a virtual halt because of the actions of a world-wide cartel such as OPEC or because of a very serious danger of atmospheric pollution.

Thus, one cannot give bland assurances that planning will be painless, any more than one is warranted in issuing pronouncements that it will be traumatic. What determines the extent of planning is the need for it, but that selfsame need may diminish the psychological impact of planning. For example, we are not likely to impose wage, price and profit controls unless inflation continues its ravages, in which case we are apt to welcome intrusive planning, not object to it. We will certainly not plan for a low rate of economic growth unless considerations of national survival are involved. In that case, too, planning will more likely be felt as a form of collective guidance (*Continued on Page 35*)

than as an invasion of our freedom.

WHAT GETS PLANNED IN A PLANNED ECONOMY?

It must already be clear that there is no preordained size or shape to the activity we call "national planning." It is possible to plan for very clearly defined objectives. But we can also plan on a much broader scale. A national economic plan will probably be a coordinated set of general economic targets; say: a 50 percent reduction in unemployment, plus a reduction of the rate of inflation to 5 percent, plus an expansion of economic growth to 6 percent. Needless to say, these economic targets are not picked at random. In fact, one of the main purposes of planning is to discover what combinations of such general goals are compatible.

It follows that planning is by no means a wholly foreign kind of economic activity. Every deliberate effort to bring about an outcome of the economic process different from that which would emerge spontaneously from the market system is a form of planning. Unemployment compensation, Social Security and Medicare are forms of planning just as much as wage and price controls. The anti-inflationary actions of the Federal Reserve Board are efforts to plan the outcome of the economic process just as much as the designation of a national target of, say, 4 percent growth. What we

mean by national economic planning, in its broadest sense, is thus an effort to coordinate existing plans, quite as much as an effort to extend the reach of our control over the economy.

HOW IS THE PLANNING DONE?

This brings us to a consideration of the planning mechanism itself. Here a basic misconception must first be put down. It is the idea that planning means the creation of an enormous blueprint of production, specifying the size and number and quality of buttons on every shirt.

There have been efforts at such total planning, notably in the Soviet Union, and they have been largely adjudged as failures. Useful for mobilizing an economy on a war basis (and the early Soviet planning efforts were a kind of war mobilization for economic growth), they have proved cumbersome and harmful once an economy has attained the complexity of a fully industrial system.

Only the advent of another conventional war or an environmental threat of warlike proportions would cause national economic planning in the United States to assume this kind of exacting specification. Rather, planning would almost certainly take the form of a series of steps of a very different nature.

The initial step in planning would necessarily be an effort to expand the amount and accuracy of the economic information at our disposal. Although we possess the largest and probably the best statisti-

cal service in the world, we are still woefully ignorant of many of the essential facts about our economy. When the Arab oil embargo struck, for example, we did not possess information about the size of our stocks of gasoline. Although we pretend that we have 8 percent unemployment, it is common knowledge that the unemployment "count" is extremely inaccurate, especially for the black and Puerto Rican minorities, and to this very day we do not possess an inventory of the numbers or kinds of job openings in the economy. Our estimates for many important economic magnitudes — our stock of money, our balance of payments, our Gross National Product—are all much too unreliable.

The first step in national planning must, therefore, be an expansion and improvement of our fund of economic information. The next step is to use this information to create a bigger and better flow-chart for the economy. We call such a flow-chart an input-output matrix. An input-output matrix is a kind of recipe book for production. Developed by Wassily Leontief, it enables us to ascertain (albeit only very roughly) how much steel, rubber, copper, cloth, etc., it takes to "cook" an automobile, a steel girder, or a billion dollars' worth of G.N.P. of a given kind. This is a much more complicated calculation than it might at first appear, because the ingredients for a given menu of output are larger in number and more diverse in kind than one could divine by looking at the final products. Input-output may

show us that an attractive-looking menu of output cannot be produced without expanding our facilities for production, or it may reveal an unexpected bottleneck that would abort a seemingly feasible plan for expansion.

Nevertheless, input-output, indispensable though it may be, is not planning itself. The act of planning consists of the selection and realization of goals for the economy. These may be narrow, specific "micro" targets, such as an energy program, or broad "macro" goals, such as a reduction of unemployment, or both. (Needless to say, this brings up the question of who selects our goals, but I will defer this problem momentarily.)

Goal-setting, as it is envisaged in the Humphrey-Javits bill or in any variant of this bill that is likely to become law, does not consist of the designation by a planning agency of one set of targets known as "the national plan." Rather, the procedure in goal-setting is to work up a number of alternative planning possibilities. These may be a series of specific microprograms—housing, urban rehabilitation, mass transit—any one of which could be undertaken singly, but all of which could not be mounted simultaneously because of the strain on our labor or material capacities. Or the alternative plans might consist of different combinations of macro-targets. Plan A might suggest 5 percent inflation and 6 percent unemployment. Plan B might suggest 8 percent inflation and only 4 percent unem-

ployment. Plan C might offer 4 percent inflation and 3 percent unemployment—a more attractive combination, but one that would require much stiffer controls than Plans A and B.

The job of the planning agency, working with its statistical information and input-output "recipes," is to concoct a number of such feasible alternative plans or scenarios.

But a number of feasible plans having been hatched, the full-fledged public debate now begins. This debate may be limited to Congress, or might possibly be extended to the public, especially if Plan A were endorsed by one party and Plan C by another. Eventually one or another set of plans is decided on—housing is given preference to mass transit, or vice versa; Plan D is arrived at by a process of compromise. The final plans are given the approval of Congress and the President and become the official economic goals of the nation.

How are the various goals to be reached? Written into each plan is a series of stimuli and sanctions designed to bring the objective into actuality. These may be nothing more than an appropriation of funds, comparable to the plans that once built the Union Pacific Railway or the Panama Canal. Or the necessary measures may be of a broader kind, such as a general injunction to use "all monetary and fiscal means" to achieve such and such a level of inflation and employment. It is also entirely possible that a given plan will include tax changes as part of its means-ends machinery: tax incentives for industries to invest in ways that are conge-

nial to the plan; tax penalties for industries that do not; tax inducements for consumers to use their purchasing power in consonance with the objective of speeding up economic expansion, or slowing it down, or changing the composition of output.

If the plan is of the highest importance for national survival, it will surely contain coercive measures of various kinds. Materials may have to be allocated to industries deemed to be of the highest priority; crash programs of investment may have to be mounted, perhaps by the creation of a Government effort such as the Manhattan Project; very stringent controls or prohibitions might have to be imposed on industry and household alike if we had to execute an abrupt aboutface in our economic direction as a consequence of a very serious external threat.

WHO MAKES THE PLANS IN A PLANNED ECONOMY?

A vast amount of alarm and confusion surrounds the problem of decision-making. Conservatives warn us of faceless experts who will substitute their judgment for the "democracy" of the market. Business fears a paralyzing bureaucracy. The left is suspicious of a corporate take-over of the planning apparatus.

None of these warnings are to be lightly disregarded, and I shall return to them. But I think it is best to begin with a more positive approach. I envisage the planning process as closely resembling the legislative process. This means that at every stage of planning—informa-

tion gathering (what information?), input-output model-building (under what assumptions?), alternative planning goals (for what ends?)—there will be a struggle to insinuate many views. Corporate élites, charismatic individuals, powerful politicians, labor unions, regional and other lobbies, public groups of many sorts will be writing letters, taking people out to lunch or trying to pull strings to get some portion of the plan to represent their interests or points of view.

Hence I suspect that the goals presented for debate and deliberation will already reflect the untidy, adversary, influence-peddling ways by which a democratic system runs. I also suspect the final plans will be as good and as bad, as outrageous and as sensible, as reactionary or as radical as the mass of legislation that today emerges in roughly the same way. In a word, if one has faith that a democracy can govern itself, there is no reason to believe that it cannot plan for itself.

Of course, it is possible to harbor severe doubts about the self-governing abilities of a democracy; and for the same reason it is possible to harbor serious doubts about planning. There is a danger that the planning options may be usurped by faceless experts who will try to apply to the national economy the same masterminding that they applied to the conduct of the Vietnam War. It is certainly possible that the planning agency will become bureaucratic.

And I would assuredly not dismiss the fears of the left

that planning may become an instrument of corporate capitalism. Indeed, it seems very plain that the main purpose of planning will be to shore up and underpin, not to weaken or undo, the business system. Nevertheless I do not think that business interests must dominate planning even though the business interest is served by it. Labor and consumer groups will probably have more power and influence under a planning arrangement than they have today.

HOW MUCH MARKET WILL BE LEFT IN A PLANNED ECONOMY?

The great hue and cry of those who oppose planning is that it will replace the market—that vast, flexible, democratic instrument by which a “free” economy makes its collective decisions about the kinds of goods it will produce.

I have no desire to deprecate the usefulness of the market, whose capabilities have been reluctantly recognized even within the Soviet bloc. But it is necessary to view the market with the same degree of skeptical criticism that we apply to planning. First, we should recognize that what we call “the market” is not a single great current of economic activity against which no institution can assert its independent will. This may be true for the individual farmer, retailer, or small businessman, but it is emphatically not the case with large companies that dominate their fields and that can assert their wills to a very considerable extent. As

American Telephone and Telegraph states in a series of recent advertisements, "The telephone system didn't just happen. It was planned, right from the start."

In fact, the big corporations in all industrial areas act like private planning agencies, a point eloquently expounded by Galbraith. To a very great degree, the big companies hold the market at bay, raising or lowering prices when they want to, not when an oceanic flood of competition forces them to. So, too, they expand (or contract) their enterprises according to long-range forecasts that ignore the immediate press of business conditions.

Second, we must realize that the market is far from the democratic institution that is popularly projected. The market is a kind of continually recurring economic election, in which households vote with their dollars for the kinds of goods they want. That would be democratic indeed, if all households had equal votes. But of course they do not. The top 20 percent of households have 40 percent of the economic "voting" power; the bottom 20 percent only 5 percent of the purchasing power. A family like the Rockefellers casts as many votes as ten thousand families at the poverty line. Is this democracy?

Last, the market surely serves very well to express the collective, albeit lopsided, appetites of its constituency for commodities, but it has no means of giving voice to objectives that are not themselves given the status of commodities. For example, the market brings forth an

assemblage of cars—big cars for big pocketbooks, small cars for small pocketbooks. Even if we accept this distribution of output as "right," we must not forget that in addition to automobiles, the market process has also brought forth traffic congestion, pollution, risk to life and limb. But the market place is blind to these "externalities"—that is, to these side-effects of production.

Perhaps the planning-market controversy can best be summed up by saying that the market is a poor goal-setting mechanism. The "goals" it establishes reflect the buying power of the rich far more than that of the poor, are distorted by powerful aggregates of massed corporate wealth, and are without recognition of any end-result of economic activity that bears no price tag. Planning is an effort to remedy this distorted or missing goal-setting ability along the messy but workable ways we have described.

On the other hand, the market is a remarkable administrative mechanism, even in those areas where private power is most evident. Far better than any corps of planning inspectors, it oversees the quick adaptation of new techniques; it provides factories and stores with opportunities to deal with efficient suppliers; and it offers customers the ultimate weapon of choice. Planning does all these things badly, if at all. Therefore, any national economic plan, save one designed to implement a crash program of vital importance, would lean heavily on the market system. The flow of goods

from plant to plant or from plant to customer; the entry of labor and capital into industries or their exit from those industries; the organization of production, will all be largely entrusted to the profit-seeking, competitive ways of the accustomed market mechanism. Planning may have to intervene in non-market ways, such as by control over prices and wages or by direct materials allocations, but only if milder techniques for influencing inflation or output are ineffective. The preferred ways of making a plan work will be by techniques that work through the market, rather than against it.

IS THERE NO ALTERNATIVE TO PLANNING?

I began by saying that America was drifting into planning. But is this drift inevitable? Is it not possible to go on as we are, or even to dismantle some of the planning that is already embedded in our system?

Whether they say it explicitly or not, the opponents of planning maintain that things can go on as they are. This is not an irresponsible position. Social inertia is always a powerful force. Inertia may hold together cities that have lost their fiscal soundness. It may permit 10 percent unemployment and 10 percent inflation to persist for years with little more than grumbling.

I might myself incline to the view that we could go on without national planning—even though I think that planning could greatly im-

prove economic conditions—were it not for the fact that there are forces at work that will probably make things worse. To begin with the mildest of these, our population is still increasing, bringing strains that are particularly felt in the underfinanced cities: the pressure in the ghetto is building. Meanwhile, technology is relentlessly invading the social order with products whose destructive potential continues to take us by surprise and to fill us with alarm: nuclear wastes, chemical wastes, thermal wastes all press on the life-carrying capacity of the environment, and threaten to overwhelm it in the foreseeable future. At the same time, the process of economic growth continues its ravenous progress, reaching further and further into the earth's crust for the materials essential for its continuance. Many of the easily reached pockets of resources will be exhausted within a generation or so, requiring much larger applications of energy to maintain the snowball of mounting production. And the underdeveloped areas, now coming into possession of nuclear arms, and hence in a better position to make their views count, no longer regard the export of their mineral wealth to the rich industrial nations with the indifference or unalloyed pleasure that was once the case. The clear necessity, in a word, is for an ever more vigilant monitoring of the pace and pattern of economic growth—a monitoring that cannot be attained without economic planning.

And, not least, there is the change in the scale of private

enterprise. The reach of business enterprise continues to grow. Big corporations now extend their operations around the world. As the scope of enterprise grows, business becomes ever more enmeshed in social problems. The cry for regulation grows, as much engendered by the increasing prominence of big business as by the growing acuity of the problems themselves.

Thus I doubt very much that things can go on as they are. The present situation is unstable, and the forces of technology, environment, and sheer growth in size and complexity make a return to a simpler—or at any rate, less planned—economy impossible. When we are told by Thomas Murphy of General Motors, and by others, that "the solution is not for more government direction, but less," we are hearing a prescription for a world that does not exist.

That is why there is no capitalist economy in the world today that does not have a growing core of economic planning. In some countries, such as our own, that planning is piecemeal, cross-purposed, inadequate. In others it is institutionally elaborate. France, for example, has a Planning Commission that regularly draws up national plans of roughly five years' duration specifying many objectives for the French economy. The plans are drawn only after lengthy consultations with industry, and the guiding idea behind the scheme is that the consultative process itself will bring about a voluntary adoption by industry of the very actions needed to make the national plan come true.

This "indicative planning" effort leans heavily on the French organization of industry and its long tradition of *dirigiste* policies. But every nation's planning mechanism adapts to prevailing traditions. Japan has a high-level, largely "unofficial" coordination of national and private policies that has been popularly dubbed Japan, Inc. Norway and the Netherlands have small planning apparatuses that put to good use the traditions of consensus prominent in both countries. Sweden works through its employers and union federations; Germany through its banks.

Probably none of these techniques of planning could be imported directly into this country. We are larger and more diversified than our European or Japanese counterparts; perhaps more important, we are less accustomed to authority, less respectful of government. Planning in America will have to make its peace with regional differences, political realities, national temperament. Thus the Humphrey-Javits bill, the most likely measure to be passed, is careful to include provisions for regional consultation and for Congressional involvement, and tactfully omits any mention of enforcement mechanisms.

The Humphrey-Javits bill proposes a number of institutional departures. It would establish a small Economic Planning Board in the Executive Office of the President. The board would be charged with a number of technical functions, including the preparation of a proposed "economic-growth plan." This proposed plan would then be reviewed by a Council on

Economic Planning comprised of the Cabinet and other chief economic officials, and also by an Advisory Committee made up of representatives of business, labor and the public, appointed in part by the President and in part by Congress. The plan that emerged from the executive branch would then be referred to the Joint Economic Committee of Congress. Here, further hearings would be held, and the plan would be revised or amended as Congress wished. Ultimately, the plan would be passed by a concurrent resolution of the Congress and sent back to the President.

Of course the actual advent of planning will depend on political events. If the Democrats win the next election, some form of national economic planning is likely to become a reality in the next President's first term. If the Republicans win, planning will be postponed. But only postponed, not permanently shelved. As Leontief has said, planning will come not when the radicals want it, but when businessmen demand it. And demand it they will, for without more planning it is difficult to believe that capitalism can last out the century.

WILL PLANNING SAVE U.S. CAPITALISM?

It may not. We do not know if the best-drawn plans can iron out the sheerly economic problems of a business system—its tendencies to instability, inflation, economic

waste. We do not know if planning can overcome political and social rigidities that have locked us into a tradition of malign neglect of minorities, or if it can reverse a corrosive commercialization of life. Not least, we do not know if planning can be made to work effectively. We cannot plan better than we can govern. Planning will force us to discover how well that is.

Certainly, then, planning is no panacea. It is an option, an alternative, an opportunity—the only opportunity, I think, to arrest the course of slow self-destruction on which we now seem to be embarked. It would be foolish to deny that planning carries great risks, including that of a grave constriction of freedom as the consequence of a reckless proliferation of controls. But it would be even more foolish to ignore the risks associated with a refusal to move into national planning, including the danger of a rush to political extremism as a consequence of economic frustration or failure.

In the end, I believe that planning offers hope. In part it is the hope that a restored economic society can regenerate a high sense of social and political morale. In still greater part it is the hope that we can once again experience a sense of mastery over events. We will need such an assertion of purpose to prepare for a future full of disquieting portents. ■

What an Economic Planning Board Should Do

Q. In your article in the *New York Times* of March 14, you comment on Herbert Stein's suggestion that we possibly should have a national planning board. You say: "... if in place of the powerless and understaffed Council of Economic Advisers we had had a well-staffed, well-informed and intelligently guided planning board, the mess in which the country finds itself today could have been avoided." This implies that great things can be expected of a planning board. What would a planning board be capable of doing and what would it not be capable of doing?

A. I do not think that planning is an easy and simple matter. Planning is possibly one of the most ambitious things society can undertake in the economic field, and one cannot expect instant success. The practical approach must be gradual. I would visualize that the first steps might consist simply of analyzing the operation of the economic system, simply of getting at the facts and presenting the picture as it evolves. But not in terms of a few general indices. There is too much emphasis nowadays on attempting to describe the state of the economy in terms of a few indices such as price level, employment, savings, and GNP. There is also great pressure now to use social indices. I'm rather skeptical about the usefulness of very aggregative, essentially symbolic descriptions of the state of the economic system. It can be effectively explained only in terms of rather deep-lying details. For example, you can-

not deal with various aspects of technological development, trends in different industries, and the now very fashionable problems of resources and pollution in aggregative terms. As a matter of fact, the problem of inflation cannot be dealt with in aggregative terms either. If you had inflation in which all prices and incomes moved in parallel, nobody would care. Actual inflation is a change in relative prices, not just in the average price level.

Q. You're talking about the question of information. What kind of information do we need? Or, to be specific, what kind of information does a planning board need to be effective?

A. I would like to describe and measure the flow of goods and services among all the different sectors of the economy, the state of equipment, the structure of the labor force, and prices in very great detail, so that looking at the entire picture, we would see what is happening in each sector, physically as well as financially. The planning board must have a detailed and at the same time fully integrated picture, not just disjointed pieces of information. It must know what is happening in the economy from day to day, month to month, and year to year.

Q. How much of this information do we have now?

A. When you say we, that raises a question. As a matter of fact, various people have access to sepa-

rate chunks of the requisite data. Most of this information is in the hands of private businesses and public organizations which control a large part of our economy. The first and foremost task of the planning—or rather monitoring—board would be to fit together the pieces of this jigsaw puzzle so that a clear, detailed picture of the entire system emerges.

Q. If a planning board were in possession of this detailed information about the economy, what would it do with it?

A. Three years ago we might have discovered that our refining capacity was not sufficient to provide American users of various petroleum products with amounts they would like to buy at the existing prices.

Q. Certainly we were in possession of this information. We knew, or at least some people knew, that there was a coming shortage of refining capacity. So it isn't a lack of information that's at issue but a lack of reaction to that information. The government had that information. What would a planning board add to the picture?

A. Possibly some people spoke about it, but the word was never spread in precise, incontestable terms. A planning board would provide official information which everybody would have to pay attention to. And, of course, a planning board would not only provide information, but also draw conclusions about the future course of development, assuming inaction or alternative courses of action.

Q. There are other countries, such as France and Japan, that have large planning boards. Weren't they in possession of the information concerning the oil shortage? And if they were, why didn't they react to the situation? They were taken unawares; they paid the penalty of inaction just as we did, even though they had large planning boards.

A. As far as I understand it, Japan and Europe were not hit the same way we were. They were hit by the embargo of the Middle Eastern oil producers. We are hit not so much by the embargo as by the shortage of domestic refining capacity. That is why our petroleum industry tells us that we still have trouble even though the embargo has been lifted. Considering what happened in Europe when the embargo hit and what happened here when we

experienced a small shortage, the comparison comes out very favorably for Europe and very unfavorably for us. Europe was really much less disorganized than we were.

Let me add this observation. I was rather amused to read about the encounter between Mr. Kissinger and French Foreign Minister Jobert in Washington last February. It was a peculiar situation. Mr. Kissinger was arguing for international planning while representing the country which does the least internal planning of any in the West, and manages the little it does in a most haphazard manner. If Mr. Jobert agreed to plan petroleum collectively and asked Mr. Kissinger to put his cards on the table, Mr. Kissinger wouldn't have any cards to put on the table. He has no power to control the internal situation, and, even if he had such power, the U.S. government has no factual information on the basis of which he could exercise power in an intelligent, systematic way. During my recent stay in France, I found a very good system of administrative and economic controls, backed up by a well-organized data system. The French government is much more aware of what is happening in the French economy than we are of what is happening in ours. So-called indicative planning has often been pooh-poohed. Actually, it provides the French government, particularly the Ministry of Finance, with very detailed information and effective control over the French economy. So when Mr. Jobert essentially said, "Look here, we don't want too much international planning," I think he said it because he felt confident about France's ability to compete with other countries from a pretty firmly and rationally managed domestic base.

Q. That sounds a bit ironic after France suffered from the oil embargo. The implication of your previous remarks is that the best of planning within national boundaries has to be frustrated if that planning doesn't extend internationally. Countries that are heavily engaged in international trade are dependent on various commodities that they import, and if they can't rely on those, then the planning system is frustrated, is it not?

A. Yes, uncertainty about foreign supplies and outlets is undoubtedly important. But admitting that one operates in a world of uncertainty, one can avoid the pitfalls and take advantage of the changing international situation if one can operate from

a well-managed domestic base. I think this is the attitude of Soviet Russia. Soviet Russia is known to operate quite effectively in the world market. Look at Soviet agriculture and large-scale industrial production. While the Russians are quite inefficient in the organization of production at the microlevel, they have the overall domestic economy rather well under control, and thus can take advantage of unexpected opportunities on the world markets. They can respond to changing external conditions much better than countries that are not well organized at home.

Q. Let's consider the Council of Economic Advisers (CEA). What are its shortcomings and what would you like to see an expanded planning board be able to do that the present Council of Economic Advisers cannot do?

A. The present Council of Economic Advisers is not in a much better position to know what actually is going on than any private academic economist with a small research staff. The information it has about the economy is summary and approximate, not much better than that possessed by a professor at Chicago or Harvard. The kinds of recommendations it can make are limited to the classical Keynesian variety. There are about three or four variables it can manipulate—the government budget in the aggregate, certain aspects of taxation, certain aspects of monetary policy—and that's all. When members of the CEA are asked for advice on some particular problem, they usually don't have the necessary information on hand. What they have to do is ask somebody to research the thing. The fellow who researches it possibly has three or four assistants and usually has to call up somebody on the outside. They don't have on hand as full a picture as, for example, the Ministry of Trade has in Japan, or Professor Malinvaud, the head of research in the French Ministry of Finance, has when he is advising Giscard d'Estaing.

Q. But if the Council of Economic Advisers has aggregative information about the economy, why does it need detailed information? Can't the operation of the market serve the regulatory function of bringing about balance in the detailed aspects of the economy?

A. The market is indeed a marvelous machine. It

operates like a large automatic computer. As contrasted with amateurs who have only discussed them, anybody who has had practical experience with large automatic computers knows that these complex mechanisms break down a couple of times a day and that you must have repairmen standing around all the time fixing up this and fixing up that. The idea that you can feed a problem into the computer at five o'clock in the afternoon before going home and find the answer neatly printed out in the morning is quite incorrect. Experience with automatic computers shows that you cannot rely on them to solve all your problems automatically. By the same token, you cannot rely on the competitive economic system to solve all your problems automatically either. You need a very large crew of troubleshooters on a standby basis. And mind you, a repair crew must know exactly how an engine is constructed and how it operates.

Now this is much more than a superficial analogy. Many proponents of the "competitive solution" of all economic problems are as naïve as those who assume that if you can get hold of an automatic computer, you can rely on it without any knowledge of what goes on behind those whirling discs inside.

Q. My understanding of cases where detailed planning has been attempted—and this could be either indicative as in France or imperative as in the Soviet Union—is that the lag in the collection of information, and the sheer weight of all the detailed information that has to be collected in attempting to direct the economy, makes this kind of computing operation just as bad as, if not worse than, the computing that the market itself does.

A. I have a feeling that simply bringing out a systematic, detailed description of the current state of the economy and analyzing the figures could have very beneficial effects. The next step would be to collect information systematically about investment decisions, employment decisions, decisions about technology, and the like, made by private corporations as well as by all kinds of public bodies. I think that simply putting together such fully coordinated, systematic information, instead of relying on all kinds of casual surveys, would improve the efficiency of our system.

Let me say that if this country were to undertake such large-scale monitoring operations, we would

go about it much more efficiently than many other countries do. Planning is a technical problem, and we pride ourselves—rightly so—on handling technical problems well. Observe what happens in the Soviet Union. From what I can see, the most successful planning in the Soviet Union is done in some of the Baltic Republics. There, the central planning boards seem to be quite effective in using modern computers and analytical techniques. Why? Because the cultural level of the entire population is higher and management operates with greater skill. America builds highways more efficiently, organizes industrial production more efficiently, and does its marketing more effectively than other countries. Why shouldn't we be able to collect economic information and utilize it more efficiently too?

Q. Perhaps we should clarify whether you're advocating imperative planning or indicative planning for the United States.

A. At the present time, I would not advocate imperative planning for the United States except in those areas in which we already have a great deal of governmental regulation. In fields like communications, transportation, and agriculture, which are already subject to direct government action, with better information and more systematic analysis, such guidance would be much more effective than the kind of ad hoc, uncoordinated operations the government is conducting now.

It's quite understandable that business does not like any type of outside intervention. Business, however, is not as delicate a flower as its spokesmen would like us to believe. The implication is that if you just breathe on it in the wrong way, it will wilt. No, private enterprise is robust and it will pursue profits if there are any to pursue. You may restrict its freedom in one way or another, but as long as there is a gleam of profit at the other end of the narrow tunnel, business will pursue it. So I'm not afraid that regulation will cause business to give up. It will use all its imagination, capacity, and drive to function effectively within the limits imposed by public authority.

Q. You've raised several questions. First of all, about indicative planning. If you take the case of France, the Commissariat au Plan does make de-

tailed information available, but the fact is that the information is often disregarded by industry. I believe Renault at various times has exceeded the projections for production in the automobile industry. Doesn't this undermine the value of indicative planning? As a matter of fact, I've heard it argued that indicative planning in France has not been successful, that it's the bullying behind the indicative planning that has been successful.

A. Oh yes, I'm not against bullying; but you can bully much better if you know what pitfalls are to be avoided and in what direction you want the economy to go. I realize full well that it will not be easy to be a little more systematic in directing our complex economy. In the beginning the results won't be very brilliant, but conditions will be even worse if we go on muddling through as we're doing now.

Q. Another point I want to ask you about. I don't understand your praise of Soviet planning when at the same time you say that profits should be the indicator of business success. The Soviets have quite a few other indicators besides profit, and this really creates a muddle of red tape and inefficiency.

A. Nothing is further from my mind than the notion that the profit motive, or, in a wider sense, self-interest, can be replaced by centralized decision making. The profit motive is the wind that fills the sails and propels the vessel. The helmsman knows how to use the rudder to make the vessel move in the direction in which he wants to go. Milton Friedman repeats again and again that the profit motive is the powerful driving force that moves our economy, and I agree. But he also insists that we abandon the vessel to the whim of the wind, and let it go in the direction in which the winds happen to be blowing. Follow his advice and the ship will very quickly land on the rocks. I say: use the profit motive, but control it to move the economy in the direction you want to go. And to fix your course, you must have maps and charts.

Q. All right, let's go back to France. The French have indicative planning, but they haven't succeeded in doing anything about inflation. Is this beyond the powers of a planning board? What can a planning board do and what can it not do?

A. Among the so-called free nations, Japan and

France have used a kind of indicative planning for the longest period of time. Both are among the fastest moving countries. The spectacular sustained growth of Japan is well known, and in recent years France has been the fastest growing economy in Europe. This does not prove, of course, that planning was the cause of prosperity and growth. But certainly planning didn't prevent it; I think it helped.

As far as inflation is concerned, my view is that inflation is quite unavoidable in free exchange economies. The Keynesian prescriptions essentially enhanced the rate of inflation. Nobody can stop inflation unless the whole economic system is changed in a drastic way. The only country in which I have seen no sign of inflation is China. Why? Because there obviously the entire monetary mechanism plays a minor, subordinate role, and the operations of the economy are guided by direct physical controls. In modern economies where money plays a major, active role, there's a ratchet effect. Nobody ever likes to reduce prices. Whenever relative prices get out of line, those that are low, relatively speaking, go up. Inflation seems to be an unavoidable feature of the system.

Q. This greatly curtails the power of the planning board in Western countries, does it not, because inflation is very disruptive.

A. We can discuss how disruptive inflation is. It would be most desirable to have no inflation, but there are other things in the economy which can be equally or even more disruptive than inflation. The long-standing claim of economists that they knew how to control inflation is an empty pretense. By now most of us agree that we don't know how to make good the claim. The steady, long-run, upward-trending trend is impossible to control because of the ratchet mechanism built into our social-economic system that makes it advantageous to create money—advantageous, that is, despite all the protestations to the contrary, to some of the most powerful and important groups in our society.

Q. Should we be willing to live with inflation?

A. I suppose we will live with it whether we are willing or not. We might as well be willing. Not that I like it very much. But one reason why economists are in such disrepute is that they have pretended to understand inflation and to know how to control it when obviously we do not.

Q. What is the mix between planning and the market that you think would be appropriate in a country like the United States?

A. One must proceed empirically. First of all, one must secure a solid data base—a map describing the terrain. One must create a governmental body with enough resources and sufficient power at its disposal to collect and analyze these data. This task cannot be carried out without close cooperation with industry and labor. Planning can be introduced only step by step, starting with the fields in which the government already is heavily involved, such as taxation, environment, transportation, and now, obviously, energy.

Q. How would a planning board determine priorities?

A. I happen to be very skeptical of the idea—which many theoretical economists advance—of a national “objective function,” defining national goals as a well-ordered set of national priorities. By analogy with an individual “utility function,” it supposedly could provide a guide to fine-tuning economic decisions. I don't think that an economist *qua* economist has any more competence to choose national goals than any other citizen. What an economist should be able to do, however, is to outline the choices. If a friend were to invite me to dinner in a restaurant and say, “Wassily, will you please describe your tastes to me so that I can order the appropriate dishes?” I would reply, “Never mind the description of my tastes. Just show me the menu and I will select the dishes myself.”

Q. So the priorities are determined by a political process.

A. Absolutely.

Q. If you invite the participation of both business and labor, you are going to have conflicts over the plan.

A. Certainly you will have conflict. We have conflict now, only at the present time it's resolved by a kind of cheating process. Politicians and even economists make promises which they cannot possibly fulfill. We should at least be able to present feasible—that is, practical—alternatives.

Q. Would the planning board simply play a passive role in drawing up a menu? Or would it have the

power to decide what *hors d'oeuvres* you're going to have?

A. Just as with tax legislation, the final decision has to be made by the Congress. The choice of the measures or the course of action designed to achieve certain objectives should definitely not be within the competence of the planning board. The planning board, after analyzing the situation, should present the government, and ultimately the public, with a set of feasible alternatives.

Q. At present we have the Council of Economic Advisers, the Federal Reserve, the Office of Management and Budget, and the Treasury. Would you combine their powers in some way or would you leave them alone?

A. I believe that the adversary procedure which dominates in Washington in all fields, including economics, is ridiculous. Whenever an economic decision has to be made, the ascertainment of the facts is left to experts representing different groups of people with mostly opposing interests. Each expert is expected to present the facts conducive to the acceptance of the goals of his political or economic backers.

I would concentrate the fact-finding function as much as possible in the hands of an overall organization, call it a planning board or the fact-finding arm of the planning board, and put it under a bipartisan committee of the Congress or even make it independent like the Supreme Court. Let other departments make the specific practical proposals, utilizing the same basic factual information as much as possible.

The trouble is that we prepare the factual analysis on which to base the choice between alternative courses of economic policy in the same way as the two opposing sides prepare their evidence for adversary court proceedings.

Q. But as long as we have competing interests in our society, we're going to have advocates within the government for those interests. You don't suggest that we can sidestep that, do you?

A. Absolutely not. I try to be extremely practical and I know we will always have contesting interests. However, I think we can begin to establish certain rules of the game. Let them push for their particular solutions, but let us at least ascertain that each of these solutions can really be implemented in practice. As things stand now, each of the opposing interest groups usually promises results that an objective analysis of the situation would show to be unachievable.

Q. Just one last question. What would be the length of the planning period? Would a planning board plan both for the short range and the long range?

A. I would be inclined not to meddle with the short range. However, the information which a planning agency possesses should be put at the disposal of anybody who makes short-range decisions. Describing the alternative possibilities, I would center attention on the medium range, that is, three to five years, and the long run, say, ten to twenty years and beyond. The latter is particularly important because the effect of many of the most critical economic decisions taken now will surface only during our children's lives or the lives of our children's children.

The Economic Planning Proposal

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BACKGROUND

Proposals for economic planning on a nationwide basis have been debated for many years. The stock market crash of 1929 provoked serious consideration of such ideas during the New Deal, but comprehensive economic planning has never been accepted in the United States. This analysis will review such a proposal (S. 1795) currently before the Congress. This bill, the Balanced Growth and Economic Planning Act of 1975, introduced by Senators Humphrey (D-Minn.) and Javits (R-N.Y.) and others, has triggered considerable discussion. Senator Humphrey calls it his "single most important piece of legislation,"¹ while critics see it as a way station on the road to socialism.

The impetus for S. 1795 came from the privately sponsored Initiative Committee for National Economic Planning. Co-chaired by Nobel Prize-winning economist Wassily Leontief and Leonard Woodcock, president of the United Automobile Workers, the committee includes John Kenneth Galbraith, Robert Heilbroner, Robert Roosa, Robert Nathan, and Abram Chayes. This committee drafted the original bill and collaborated with Senators Humphrey and Javits on the final version.² On 21 May 1975, Senator Humphrey introduced the bill. The co-sponsors were Senators Bayh (D-Ind.), Clark (D-Iowa), Eagleton (D-Mo.), Jackson (D-Wash.), Javits. (D-N.Y.), McGee (D-Wyo.), McGovern (D-S.Dak.), and Nelson (D-Wisc.). The bill was referred to the Joint Economic Committee, which held hearings on 11 and 12 June 1975.

SUMMARY OF THE BILL

Findings and Purposes

S. 1795 would amend the Employment Act of 1946 by adding at its close a new title: "Title II--Balanced Growth and Economic Planning." The bill begins with a series of findings and purposes.

At the outset, the bill [section 202(a)] finds that America is gripped by the worst economic decline since the Great Depression and charges that "erratic short-term economic policies" have exacerbated the difficulties. The bill states, first, that the combination of recession and inflation has "revealed basic structural deficiencies" [section 202(a)], and, second, that "the failure to develop a long term national economic policy has also created fundamental imbalances in the economy" [section 202(b)].

As remedies, the bill proposes, first, a more efficient and reliable means of acquiring economic information. "Without such information, it is not possible adequately to analyze the economy, to anticipate and identify emerging problems, or to advise the President and the Congress about timely and effective action" [section 202(c)]. Second, the bill proposes national economic planning. Planning would entail an analysis of the effects of federal activities on the economy [section 202(d)] and also the "identification of available and potential" labor, capital and natural resources.

The bill proposes the establishment of a new agency to compile data and develop an overall economic plan. In addition to improving the "ends" of economic policy making, such an agency could improve the "means" by providing "open and democratic planning for the future" [section 202(f)]. The agency would also suggest policies designed to effectuate the goals ultimately selected [section 203(1)], and to review periodically the success of these policies. At all times, the participation of the public, of private interest groups, and of local and state governments would be encouraged and facilitated [section 203(4)]. Congress would review the overall plan [section 203(5)] and the executive branch would implement and assess it [section 203(6)].

New Agencies

S. 1795 would create a number of new agencies to formulate, implement, and review the balanced economic growth plan. First of all, it would create a three-

member Economic Planning Board (which the bill refers to as the "Board") in the Executive Office of the President. "Composed of persons of diverse backgrounds and experience" [section 204(a)], the board is to be appointed by the President with the Senate's advice and consent. Under the direction of its chairman (designated by the President), the board would formulate the nationwide plan [section 204(b)(1)], hold hearings to assure input by government and by private citizens during the plan's preparation [section 204(b)(2)], "evaluate and measure the achievement" of the plan [section 204(b)(3)], analyze federal programs and activities to evaluate their consistency with the plan [section 204(b)(4)], coordinate other agencies' long-range plans to guarantee their compatibility with the plan [section 204(b)(5)] and finally carry out other planning functions as the President might direct [section 204(b)(6)].

Within the board, a Division of Economic Information is to be established and would be "authorized to secure information, data, estimates and statistics directly from various departments, agencies, and establishments of the executive branch of Government" [section 205(a)]. Other agencies would be required to submit such information as may be requested by the division, unless disclosure would be illegal [section 205(a)]. Through the Division of Economic Information, the board would also be authorized to "utilize" the "services, facilities, and personnel" of any agency upon agreement with the agency head, and this could be done "with or without reimbursement." The bill specifies neither the purposes nor the mechanics of this "utilization."

The second major function of the Division of Economic Information would be to disseminate the information acquired from the other agencies to all government and private parties, thus providing data for planning on every level [section 205(b)]. The section dealing with *disseminating* the statistics mentions "economic data," while the section concerned with *gathering* the information makes no such limitation. It simply refers to "information, data, estimates and statistics." Perhaps the difference between the two sections was intended to authorize the Division to acquire *noneconomic* data from federal agencies. In any case, the different wording is confusing.

The furnishing of any information, data, estimates, or statistics under this title by any person acting independently or pursuant to a requirement established under this title shall not be a violation of or evidence of a violation of any of the antitrust laws of the United States [section 205(c)(1)].

This section seeks to immunize cooperating businesses from prosecution under the so-called "trade-association" cases decided by the Supreme Court under the Sherman Act. Those cases, for example, *United States v. Container Corporation of America*, 393 U.S. 333 (1968), have limited the ability of competing firms to exchange information on sales prices, et cetera, on the grounds that such information facilitates price fixing and other forms of cartelization.

In contrast, the final section dealing with the Division of Economic Information [section 205(c)(2)] provides:

Disclosure of any information, data, estimates, or statistics in violation of any rule or regulation promulgated by the Board or the disclosure of any trade secret or proprietary information or any other information furnished to the Federal Government on a confidential basis by any person in the exercise of functions under this title shall be a violation of section 1905 of title 18, United States Code.

Within the board, a Council on Economic Planning would be established. Under the direction of the board chairman, the council would consist of the cabinet members, the Federal Reserve Board chairman, chairman of the Council of Economic Advisors, director of the Office of Management and Budget, the administrator of the Federal Energy Administration, and the chairman of the Advisory Committee on Economic Planning. This council would review and revise the board's plan, submit it to the President, and regularly analyze the progress of the plan's implementation [section 206].

An advisory Commission on Economic Planning would furnish advice and assistance to the board [section 207]. Comprised of representatives of business, labor, and the public (four members appointed by the President, four by the Speaker of the House, and four by the president of the Senate), the advisory committee would be required to meet at least twice a year to convey to the board the view of "broad segments of the public" concerning the plan. It would be authorized to establish regional and industrial subcommittees to help it monitor public reaction to the plan.

Within the Congressional Budget Office, a Division of Balanced Growth and Economic Planning would perform long-term economic analysis, gather data, and offer advice to the Joint Economic Committee on national resources, economic goals, and policies [section 213]. It would also provide information to any other House or Senate committee requesting it.

Formulation of the Plan

S. 1795 outlines specific requirements for the plan. It must "establish economic objectives" for a period set by the board (most literature discusses a six-year plan).³ In doing so, the plan must "pay particular attention" to the attainment of the following goals:

...full employment, price stability, balanced economic growth, and equitable distribution of income, the efficient utilization of both private and public resources, balanced regional and urban

development, stable international relations, and meeting essential national needs in transportation, energy, agriculture, raw materials, housing, education, public services, and research and development. [Section 208(a)(1)]

To achieve these goals, the plan must identify the resources required and forecast the

...level of production and investment by major industrial, agricultural, and other sectors, the levels of State, local and Federal Government economic activity, and relevant international economic activity, for the duration of the plan. [Section 208(a)(2)]

Finally, the plan would recommend legislative and administrative actions to implement its objectives, including recommendations concerning

...money supply growth, the Federal budget, credit needs, interest rates, taxes and subsidies, antitrust and merger policy, changes in industrial structure and regulation, international trade, and other policies and programs of economic significance. [Section 208(a)(3)]

The plan, therefore, would entail more than forecasting or predicting the direction and speed of the American economy. Not only would it encompass judgments as to how the economy *will* behave, but it also would include decisions as to how the economy's resources *ought* to be allocated. The establishment of "economic objectives" requires centralized governmental decisions as to which goods ought to be produced and how. In particular, judgments as to what are the "essential national needs" in transportation, agriculture, and housing must be made, judgments which in turn will affect the production of other goods that compete for the same resources.

The plan would first be drafted by the board with the help of the advisory committee and public suggestions gathered at hearings. The board would pass its plan to the council for review and revision; "upon approval" it would be transmitted to the President. The President would be required to submit plans to Congress every two years [section 208(a)].

Not later than 1 April 1977 the President would submit an initial plan to Congress. Along with the plan, the President would attach a "report," including the data needed to understand the plan [section 208(b)], examination of trends and objectives beyond the plan's term, and an analysis of previous plans' successes or failures [section 208(b)(3)]. The plan and report would be referred to the Joint Economic Committee [section 210(a)].

An attempt is made to ensure widespread participation in the deliberations of Congress. First, the President would be required to transmit the plan to the

governor of every state and to other "appropriate" local and state officials [section 209(b)]. Each governor could (within sixty days) send the Joint Economic Committee a report of his findings and recommendations, including the results of public hearings [section 209(b)]. Second, every House and Senate committee would be directed to report within sixty days to the Joint Economic Committee its views and recommendations respecting the plan as it relates to each committee's area of concern [section 210(a)]. Third, the Joint Committee would receive data and advice from the Division of Balanced Growth and Economic Planning of the Congressional Budget Office [section 213(a)]. Finally, the Joint Economic Committee would hold hearings for all interested people to express their opinions.

Not later than 105 days after Congress received the plan, the Joint Economic Committee would report to the House and Senate a concurrent resolution for approval or disapproval of the plan. The Committee would be authorized to recommend partial or full acceptance or rejection and could also suggest alternatives, modifications, or additions [section 210(c)]. The resolution would be accompanied by a report which would include findings and recommendations respecting each portion of the plan.

The bill provides that not later than twenty days after the Joint Economic Committee reports, Congress must act on the concurrent resolution, because the President and board cannot implement any part of the plan either disapproved or not approved by Congress [section 211(b)]. This form of congressional limit on presidential discretion is called the "legislative veto."

If the whole plan is approved, it becomes effective and the President may enforce it. If the whole plan is rejected by Congress, the President must submit a revised plan within thirty days [section 211(a)], and within thirty days after that Congress must "approve or disapprove, in whole or in part, the revised plan" [section 211(a)].

The bill holds the President responsible for implementing the plan. He must ensure that all executive agencies and departments cooperate, and also "encourage" state and local governments and the private sector to work for the plan's goals [section 212(a)]. The board would be authorized to review (upon request) state, regional or local plans and to recommend changes to provide consistency with the national plan [section 209(c)]. More importantly, the board would monitor all federal agencies and departments regarding their participation in the plan. If any agency's budget request, proposed legislation, or projected action "may have a significant effect on the achievement of the goals and objectives" in the plan, the board could require that the agency head submit a report [section 212(b)]. The report would be required to assess "...the consistency of the proposed budget, legislation, rule, regulation, or other action, with the plan, together

with the reasons for any significant departure from such goals and objectives” [section 212(b)].

There would be numerous means of reviewing the plan and its implementation. The board would have to report to the President on the success or failure of past plans [section 204(b)(3)], the council would periodically assess programs made in implementation of the plan [section 206(b)], the advisory committee would help the board analyze plans [section 207(a)], the President would be required to tell Congress why past plans have succeeded or failed [section 208(b)(3)], and the Council of Economic Advisors would examine the relationship between the plan and the annual Economic Report [section 2].

THE MAIN ARGUMENTS

Proponents

The sponsors and supporters of the bill employ two general approaches. First, they stress the success of central planning generally; second, they praise the unique safeguards and efficiency of the proposal.

General Arguments. The proponents respond to the critics who fear that the central planning is a sharp break with tradition, by pointing to American precedents. Hamilton and Gallatin both prepared lengthy, detailed, and comprehensive economic plans. In fact, America's rapid economic growth in the early nineteenth century may be ascribed largely to Hamilton's foresight and genius for planning. Later, Clay's American Plan represented central planning at its best. None of these long-range planning ventures seems to have diminished human freedom.

More recent examples of central planning also prove the value of such undertakings. In World War II we mobilized the economy, united public and private sectors in pursuit of common goals, and discussed and implemented long-range policies. Leon Keyserling, testifying before the Joint Economic Committee, described another example of successful planning.

We planned during the years of the Council of Economic Advisors under President Truman when we got unemployment down to 2.9 per cent and envisaged in our reports a degree of planning which the great economist Alvin Hanson said was the finest example of economic planning ever put out by American economists.⁴

In the early 1960s President Kennedy supplied another example when he established the goal of landing a man on the moon within ten years. The government aided businesses (without stifling free enterprise) in developing new technology; a carefully formulated plan was developed (Mercury, Gemini, and then Apollo), and the cost estimated in advance. The National Aeronautics and Space Administration became a central planning agency. As Senator Humphrey described the space program,

...[s]o what we did was to set goals, to establish a schedule, to set up a planning organization, to establish a budget, and to bring about the cooperation of government and private business. We know how to plan. The question is, are we willing to do it for our domestic economy?⁵

As the moon landing proved, America is fully capable of planning. In fact, most federal agencies now have planning arms. For example, the State Department has had one since the 1940s⁶ and the Departments of Defense and Transportation are also engaged in planning. Other planning entities include the President's Council of Economic Advisers and his Domestic Council. Most states direct industrial growth toward areas which need it most.⁷ The bill, proponents assert, would simply systematize these currently diffuse activities.

Proponents also question why many people fear planning in government when they accept it elsewhere. General Motors has central planning units to forecast future needs, set goals, monitor consumer attitudes, and implement long-range policies. Many families employ central planning to set budgets, develop elaborate aims, and act according to largely prearranged schemes. Why should government be any different? Planning is not an activity to be feared per se, they argue. Planning can be misused, but so can all governmental power. On the other hand, it can be an efficient means of deciding on national goals and how we want to achieve them.

Supporters of S. 1795 also point to the current recession and inflation as evidence of the deficiencies in the present economic system. Senator Humphrey has stated:

Who can deny in the face of 9.2% unemployment that the government and the private sector are really failing to carry out their responsibilities to the working families of our country? Who can deny the problems this economy has experienced over the past six years, the inflation, the lost jobs, the freezes, the controls, the recessions? I think that statement alone indicates that we have not had a consistent policy. It has been an ad hoc, hit and miss arrangement designed to alleviate certain problems and certain pains only to bring on increased difficulties.⁸

Senator Javits shares this opinion:

Our economy is in its worst state since the Depression. Large scale unemployment--a cumulative loss of real potential output estimated at almost \$350 billion over the next five years. Meanwhile, basic human needs are inadequately fulfilled: large numbers of Americans lack basic medical care, housing costs are soaring beyond the reach of even middle class families, an enormous unemployment rate among teenagers. Is it possible to believe that we have reached this state because this is what the American people want?⁹

The bill's sponsors blame these troubles on short-term thinking. Townsend Hoopes discussed the situation in the following general terms:

Our difficulty is that, as a nation of short-term pragmatists accustomed to dealing with the future only when it has become the present, we find it hard to regard future trends as serious realities. We have not achieved the capacity to treat as real and urgent—as demanding action today problems which appear in critical dimension only at some future date. Yet failure to achieve this new habit of mind is likely to prove fatal.¹⁰

Leon Keyserling has given a more specific analysis.

If one looks back to the criticism I have made of why we have failed so abysmally to maintain or achieve or sustain full employment, and full production, it is just because economists have done nothing but short-range. You cannot have a full employment policy without a gradual transition of our tax policy and our money policy and our housing policy, and our social security policy and our income distribution policy. . . the bricks you lay today have got to be built into the concept of a house that is culminated within five or ten years, and then you keep it in repair and add some additional wings.¹¹

And George Meany has offered one example of short-term thinking.

We need long-range economic planning and priorities to minimize unforeseen major developments and reduce the degree to which American society has stumbled and fumbled along in the past few years. . . . As an example, the United States was not prepared for the urban crisis of the 1960s—which could have been foreseen by sensible, long-range economic planning in the 1950's.¹²

Senator Humphrey also pointed to the sale of wheat to the Soviet Union as an example of failure to plan.

Did anyone think through the economic implications of selling off to the Russians a half-billion bushels of wheat from our reserves? No. We treated that sale as if it were a separate business transaction, totally unrelated to the supermarket, totally unrelated to the consumer price index, totally unrelated to our national security, totally unrelated to anything else except the cash sale.¹³

A recent step toward the planning process is the "environmental impact statement," which forces careful consideration of future effects of current activities. In fact, some experts have proposed an "impact statement" for all government activities, including economic. S. 1795, by facilitating long-term coordination of the federal government's activities, would help to ensure economic prosperity, according to supporters.

Although many opponents of central planning fear that government planning will reduce human liberty, proponents argue that planning does not necessarily undermine freedom and can enhance it if used properly.

The fear that planning will interfere with the development of free industrial society is groundless. The very purpose of planning is to release human abilities, to broaden the field of opportunity, and to enlarge human liberty. We plan primarily for freedom; the ways and means and instruments are secondary to the main purpose. The right kind of planning—democratic planning—is a guaranty of liberty and the only real assurance in our times [the author, a member of the National Planning Board, was writing in 1944] that men can be free to make a wide range of choices.¹⁴

Government uncertainty often limits our actions, and shortages caused by government inaction or short-sighted policies may diminish our range of choices. On the other hand, planning can infuse certainty and predictability into the economy. With fewer shortages, more citizens can share America's benefits. Advocates of planning say that the ultimate goal of planning is the true test of whether planning erodes freedom. If the goal is democratic, planning will enhance liberty.

It is argued that nearly all foreign nations utilize some degree of planning, and that aside from whether they have been successful, these policies certainly have not diminished freedom. Robert Nathan expanded this point before the Joint Economic Committee:

I think it is strange for people to be fearful about planning because of the damage it might do. When we look at some of these countries it is hard to see the effects on total planning, because they do not do total planning, therefore, people say, they are not doing any planning, or they are ignoring planning, and planning is a failure. I think we get mixed up between ideology on the one hand and planning on the other.

I know of no country that has pursued planning, detailed, superficial, philosophical, conceptual, goals or what have you, that has become a totalitarian country because of planning. I think the ideology is there, and you plan within that ideology rather than the ideology being determined by the planning process.¹⁵

We have nothing to fear from the example of Communist planning. Dictators plan in a dictatorial fashion, proponents argue; democracies plan democratically.

Free enterprise, proponents of the bill claim, will benefit from central planning. Business will be able to rely on governmental consistency, instead of being forced to predict what the federal government might do.

Many businessmen, labor leaders and economists see national planning as helping industry and government anticipate problems and design long-term programs. They want a plan to be tied to the formulation of government monetary, fiscal and spending policies.¹⁶

No longer will the Federal Reserve, Council of Economic Advisors, President, and Congress all work against each other. Experience, for example, shows that fear of imminent price controls often prompts price rises. Long-term policies would permit greater reliance on previously stated schedules.

On a more fundamental level, supporters of S. 1795 claim that the free enterprise system will deteriorate and possibly collapse unless it is persuaded to conform to politically decided goals. The following statement written in 1944 still provides guidance:

...free enterprise has far more to fear from lack of planning than from its development and application to national resources. Between fascism, on the one hand, and monopoly and unregulated concentrations of economic power, on the other, the free industrial system and the open free market are hard pressed now. Yet it is not planning that has made difficulties in the smooth working of free competition, or fostered monopolies, cartels, racketeering, high, low, or medium, but the lack of it.¹⁷

Surely a uniquely American compromise between unbridled capitalism and total planning is possible.

Supporters of the bill argue that nearly every nation on earth has some form of national planning. Whether or not they work perfectly, their existence is proof that planning is compatible with free enterprise, does not decrease freedom, and may be needed to assure the existence of capitalism. Americans often point with pride to the accomplishments of free enterprise. Two excellent examples of the free enterprise systems are Germany and Japan—both of which have national planning.

Even if all the other arguments are wrong, planning would still contribute something beneficial. One author said, "The first step in establishing United States planning would be to improve data collection, analysis and forecasting capabilities."¹⁸ Thus, S. 1795 would increase the effectiveness of our data acquisition.

A necessary requirement for effective planning is the availability of adequate data. Data obtained from diverse sources must be compatible so that they can be consolidated. There are over 50 Federal offices collecting economic data, in most instances insufficiently detailed, frequently obsolete, often contradictory and

incompatible. No single office is responsible for setting appropriate standards and bringing these data together so that they can be used to pursue coherent national objectives.¹⁹

This information would help both the public and private sectors because private business frequently makes decisions based on government information. More data would harm no one.

First of all, getting information is a passive activity. It does not tell anybody what to do. Presenting a picture of how good a situation could be if everything is geared nicely is not a dictation. As a matter of fact, from the point of view of a private corporation, there is not much difference between the state-provided description of the state of the economy and markets, and the description for which his business quite often pays very high fees. I think the government with all its information could provide a much better picture.²⁰

Even if S. 1795 would do nothing else, it would increase our knowledge of the economy.

Another benefit of planning accrues whether or not the plans are themselves successful or even implemented. One member of the drafting committee for the bill detailed this advantage of central planning:

The establishment of a framework for the rational consideration of goals is an immense step forward. The present method of government decision-making can best be described as a series of reactions to one emergency after another. Neither officials nor the public have a chance to consider goals in a systematic way. The process of planning will force us to think about the long run. It will also force us into a debate in which we will have to make our goals explicit. Anyone who recognizes the value of such a debate would welcome the prospects of setting up a planning system.²¹

Perhaps if the United States becomes aware of acceptable long-term goals it will need no government action at all to implement them. In any event, advocates of the bill are confident that the searching debate which would precede planning would invigorate the nation and benefit the economy.

Specific Arguments. Sponsors of S. 1795 apply their general arguments for the bill along with more specific points. They point with pride to the potential massive flow of public opinion into their proposed system:

We expect that the normal American political process, through which the President, Congress, and state and local officials

are elected, through which issues are discussed, and through which labor, business, farmers, minorities and other parts of the public are heard, will determine how we plan.²²

They predict that no stultifying bureaucracy will emerge to stifle public contributions to the plan.

Also, advocates of the proposal point out that the bill is not copied from another country. Leontief announced: "America cannot import a planning system from abroad. Countries differ in their planning methods because the countries themselves differ. We should want and expect a distinctive American style."²³

This uniquely American plan would be "built squarely on the Presidency and Congress,"²⁴ who would share in the formulation and review of the plan. This dual source assures a democratically selected plan: "If the President and Congress are of like mind, the concurrent resolutions and the legislation needed to implement the national economic plan will be passed. If they differ, they will have to seek a compromise."²⁵

Finally, the bill proposes to do nothing more than "guide" the free market, argue its proponents: "the detailed decisions about purchases, sales, production, employment, prices, and investment remain private."²⁶ Senator Humphrey stresses the noncoercive nature of his bill:

The Humphrey-Javits bill provides for a voluntary system of economic planning. No authority is planned in the Economic Planning Board or any other agency of government or in the Office of the President to order or direct the private sector of the economy to do anything as a result of a particular approved plan.

There has been considerable confusion on this plan, and there is understandable suspicion on the part of some that the Federal government will seek to expand its control over the economy and seek to manage it.

I can categorically state that it is not the intent of the authors of this bill or of the bill itself, and there is not a single word or phrase in this bill which could be used to expand the government's control over the economy.²⁷

Senator Javits also has offered his assurance:

This bill which we have introduced is neither mandatory nor self-operative. There is not a line in it that makes anybody do anything except make the Congress plan. . . . all we propose is a methodology by which a plan can be produced and be kept up to

date. We were very careful in the text of the legislation to avoid anything which directly or indirectly enables it to be self-operational. So, it is a blueprint and a structure in which everything we do today can fit; we have a point of reference- a road map- and that is all that it is.²⁸

Finally, George Hagedorn (chief economist of the National Association of Manufacturers) told the Joint Economic Committee: "...you need to assure people that the government does not intend to use such mandatory devices as price controls, quantity of production controls, allocations of capital."²⁹ The plan has been described as relatively restrained with no new regulatory tools.

The means to implement these policies are not specified in the bill. Just as in the case of goals, the bill provides a framework. A wide range of instruments can be used to accomplish specific, interrelated aims. These instruments are already familiar in non-planning contexts or where the planning has been applied *ad hoc* ...³⁰

According to advocates of the bill, the federal government can heighten efficiency and facilitate the economic goals democratically established, without increasing governmental control of the economy.

Opponents

Like the sponsors of S. 1795, the bill's critics present two categories of argument: (1) general distaste for central economic planning, and (2) specific objections to the proposal.

General Arguments. Again, two strains of thought are employed. First, national economic planning will never be successful in the United States. Second, even if some way were found to assure success, the social and economic costs would outweigh any possible benefit.

One objective of the bill is development of the ability to "anticipate and identify emerging problems" [section 203(c)], because without knowledge of "long-range economic trends" [section 203(i)] the President cannot plan effectively. And yet, if the recent inflation-recession proved anything, it proved that economists are generally dismal forecasters. Since 1946 the Council of Economic Advisors has forecast "current and foreseeable" trends-with little success. In fact, William Fellner states, "The success of long-term forecasting to date has been quite limited."³¹ Anyone who has read the past predictions of economists from Galbraith to Friedman realizes that Fellner's remark is an understatement. Is there any hope of improving our methods of forecasting? Herbert Stein (former chairman of the Council of Economic Advisors) sees some potential for improvement:

"...more resources could also be devoted to improvement of forecasting in some areas where the intellectual difficulties do not look too formidable. One such is the forecasting of food production. Another is the forecasting of federal revenues."³²

There are, however, numerous areas where the "intellectual difficulties" are nearly insurmountable. Even in Japan's carefully monitored economy forecasting has a poor record.

It has proven to be quite difficult to predict variables in the private sector for a protracted time span, say, more than six months to a year. Even when exogenous variables are correctly predicted, there are too many changes in the economic structure for behavioral equations in the macroeconomic model to be reliable. And, of course, there are frequent errors in predicting exogenous variables.³³

The U.S. economy, larger and more complex than Japan's, will be even more difficult to analyze, say the critics of S. 1795. The "exogenous variables" are legion. In planning future energy needs, it is difficult to predict a scientific breakthrough in solar energy, a new oil field in Mexico, a war in the Middle East, and domestic variables are equally difficult to forecast. Our economy is affected by strikes, floods, snow, inventions, and so on. None of these can be predicted accurately enough that the predictions may be used to guide policy over either the short or long run. Without very accurate forecasting, it is impossible to plan. The proposed Economic Planning Board could not know where to allocate capital, decrease taxes, or tinker with any part of our economy. Critics of S. 1795 are unwilling to permit economists to forecast such crucial matters when they are unable to predict the Dow Jones averages or unemployment within 5 percent. Like Malthus, current economists can only use knowledge available today and not knowledge that will become available tomorrow.

Critics of S. 1795 are skeptical of the ability of new agencies to retain their independence from those they are supposed to regulate. Ralph Nader and Justice Douglas have attested to the process of capture by the regulated industries. Kenneth Arrow, Nobel Prize-winning economist, sees similar dangers for the bureaucracy under the planning proposal: "If the economic stakes in planning were ever high enough, business interests would try to use planning to maintain the status quo. They would be tempted to corrupt the system for their own advantage."³⁴ In fact, precisely that result has occurred in France with the reliance on planning boards. One expert, John Sheahan, contends that "planning by consultation and negotiation drives the planners into such close alliance with business interests" that the board becomes a champion of the firms "which it finds easiest to deal with."³⁵ Since these are usually the largest businesses, planning has weakened competition and neglected social concerns. Sheahan, however,

describes the French "capture" as mild when compared to our own: "Cooperation has not involved anything like the narrow subservience to particular industry interests that has characterized some of the American regulatory commissions."³⁶ Much the same result has occurred in Japan, where "politically influential enterprises. . . have apparently been more heavily protected,"³⁷ and the records of the Interstate Commerce Commission and other agencies tell the same story.

The U.S. political and economic system will frustrate any attempt at central planning, argue the bill's critics. Most foreign nations have a parliamentary system that unites legislative and executive power, rather than a system of checks and balances. Those countries can plan and know that the plan will be implemented. American "institutional fragmentation"³⁸ could hamper both the formulation and implementation of any plan. If Congress and the presidency are controlled by different parties (an impossibility in parliamentary nations), the plan is likely to be an incoherent series of expedient compromises. The failure to decide on a single energy policy shows what political differences in Washington can do to national programs. Even if a plan were successfully formulated, its implementation could be hampered by opposing federal agencies, recalcitrant state governors or even local officials. If the stakes are high enough, the plan will face opposition from many quarters. Its effectiveness could easily be jeopardized by the U.S. system of decentralized power.

Any plan likewise faces political obstacles which could render it useless. One author of the bill hoped the political system would ultimately formulate the plan.³⁹ He seems to have forgotten the fact that political opinions change. If the plan, say, called for dependence on nuclear plants for 35 percent of our energy needs, what would happen if a President were elected who opposed nuclear plants? Probably, the President would either change the plan (when required to submit a new one) or else not enforce the old one. The Japanese have solved this dilemma by not adhering to their plans, either in the public or private sector (or so one scholar argues).⁴⁰ America could follow this route, too, if the political climate changes from year to year. By tying the plan to "a process of open and democratic planning" [section 202(f)], the authors of S. 1795 have assured that the plan—like all national planning—will fall apart with the first political fluctuation.

Opponents of S. 1795 also contend that national planning restricts freedom and changes the underlying American conception of society. It diminishes freedom in two ways, they say. First, it limits the ability of individuals to act as they choose in economic matters. In a free economy, consumer sovereignty reigns. Under a planning system, the government makes decisions for the consumer. If the plan did not forcibly alter patterns of production and consumption, it would be useless. Effective planning thus deprives individuals of the right to define their own goals. Critics of the bill deride the idea that planning is no more than looking ahead, noting that the plan by its very terms calls upon government to make normative choices previously a matter of individual judgment.

Planning also poses a threat to individual freedom by conceptualizing the state as an entity which defines goals and deserves our sacrifice and devotion. By setting national aims and forcing obedience to them, the government could submerge the individual and exalt the "common good." This approach to governing has found acceptance in dictatorships from revolutionary France to fascist Italy and Communist China.

The United States does have national goals now, but they are freely chosen by millions of discreet decision makers. By changing the means of formulating our goals, opponents of S. 1795 argue, national planning emphasizes a "common good" which would be used to justify increasing government control in the future. As Pascal said, "philosophers count about two hundred and eighty-eight views of the sovereign goods." Whenever we choose one priority—no matter how democratically we do so—we abandon the other 287 and force the proponents of the 287 to accept the one selected.

National planning imposes clear economic costs on the country. With no restraints, capital flows to those segments of the economy which utilize it best. The most efficient industries thus acquire capital with which to expand. Whenever the State interferes with this flow, it decreases the economy's overall efficiency. For instance, by allocating capital to Pan Am the government would be denying capital to a more efficient industry. Every citizen pays for this inefficient use of capital with higher prices.

National planning, argue its detractors, would produce governmental intervention in the economy on a mass scale. The plan would allocate capital on the basis of politically decided goals, not on the basis of efficiency. It would thus limit the economy's growth and tax us all through higher prices.

One additional factor should be noted. All businesses must try to forecast economic trends. Although this is easier for a single industry to do, there is another reason why government should not take over the forecasting and capital-allocation roles in the economy. The market system disciplines poor forecasters by depriving them of profits and, thus, of capital. Eventually the best economic seers will be running businesses, and the industries best able to predict will absorb the most capital. When the government plans, no such discipline exists. Mistakes could produce political defeats, but this process of weeding out poor forecasters lacks the market's certainty. Government planners would almost surely be poorer forecasters than those now employed by businesses. This, claim critics of the bill, will also cause economic inefficiency.

Specific Arguments. Opponents doubt that the bill's sponsors really want a limited form of purely "economic" planning. For one thing, the authors take a more expansive view of the plan than the bill's text does. Although the language of S. 1795 refers only to economic goals, one author continuously speaks of "economic *and social* goals" (emphasis added) when "summarizing" the bill's purposes.⁴¹ Senator Humphrey has used similar language in one interview.⁴²

More important than this verbal expansion beyond economics is Senator Humphrey's discussion of the questions the plan will address. "For example, how much urbanization does our society really want? What do we consider to be the optimum size of the city? What population levels give us the best in terms of cost-effectiveness programs and living conditions?"⁴³ These are not purely economic decisions—indeed they are not "economic" decisions at all.

Critics argue that there are *no* economic decisions to be made under S. 1795—only political decisions. Population growth, urban size, and other problems require political solutions. For example, the plan will presumably set a level of desired employment. But there is no "economically correct" level which computers can determine—only levels established for political reasons. Hence Walter Heller's contention that all economic choices are basically value judgments.

Value judgments are *inescapable*, because, as Arthur Smithies pointed out some years ago, "Concern with policy. . . must be based on ethical or political presuppositions derived from the non-economic world." Merely selecting objectives for economic policy, as one must, involves us in normative choices. "Full employment," "high growth," and "price stability" may have a hard economic ring, but they are only proxies, if you will, for such social goals as personal fulfillment, a rising quality of life, and equity between fixed and variable income recipients. As we said in the 1962 *Annual Report*: "The ultimate goals of the Nation are human goals, and . . . economics is merely instrumental to the making of a better life for all Americans. Involuntary unemployment is a sign of economic waste, but the fundamental evil of unemployment is that it is an affront to human dignity."

Value judgments are obligatory under the Employment Act, which requires the setting of target levels of employment, production, and purchasing power. Where? At unemployment rates of 5 per cent, or 4, or 3? At average factory operating rates of 90, or 92, or 94 per cent of capacity? At annual growth rates of 3, or 4, or 5 per cent? In answering those questions, we are not making coldly scientific judgments, but value choices between higher prices and more jobs, between current consumption and investment in the future, and so on.⁴⁴

When the Woodcock-Leontief committee states that there is a shortage of housing, medical care and so on, the committee thus "has made a judgment about the goals of society."⁴⁵ Once this fact is accepted, the plan has become much more than simply an "economic" suggestion. It is a *political* document created by an unelected executive agency with power to decide social goals for years to come.

More objectionable is the fact that many goals would be decided in advance by the act itself. By listing "full employment" as one objective, the bill's authors would close debate on that politically sensitive subject. The term "equitable distribution of income" carries the same connotation: income *is* to be redistributed, but the Economic Planning Board can quibble over the details. Those goals that are not so clearly defined in the text are clarified by the bill's sponsors. Critics point out that Senator Humphrey, for instance, has already decided that the growth of suburban industries is the fault of the automobile. "We have permitted ourselves to be victims of four wheels with a four-hundred-horsepower motor at a time when we really shouldn't require four wheels for every trip, and surely we don't need four-hundred-horsepower cars."⁴⁶ Senator Humphrey, critics say, seems to have been able to reach this conclusion without sufficient economic data, accurate forecasting, or an Economic Planning Board. As with all "economic" goals, decreasing the automobile's importance is a *political* decision.

Critics of the proposal assert that the plan will be more than advisory. True, the board itself would have no explicit power to direct anyone's conduct, but the President is ordered by section 212(a) to "insure that the departments and agencies of the executive branch will carry out their programs and activities in such a manner as to further the objectives of the plan. Every agency power will then be deployed to further the plan. Such powers may also be used to coerce states, local communities, and parts of the private sector which are dependent on federal agencies for support.

Moreover, such powers may be increased in the near future. The sponsors argue that no new regulatory tools will be added to the government arsenal. Nevertheless, inherent in the selection of national objectives is the judgment that the goals are important and valuable, so valuable, in fact, that everyone in America should cooperate in achieving them. Once this opinion becomes prevalent, the movement toward further governmental controls will be inexorable.

Opponents of the plan expect that the capacity to acquire economic data will be expanded to match the enlarged implementation power. As stated above, the text of the bill authorizes the Economic Planning Board (through its Division of Economic Information) to gather information only from other federal agencies. However, the initiative committee (Woodcock, Leontief) has urged that the board be granted "plenary power to accumulate, collate, and analyze detailed economic information from all sources."⁴⁷ And Senator Javits says that the plan will be implemented by "existing legal authority...or *new legislation*"⁴⁷ (emphasis

added). Thus new laws (such as Senator Humphrey's proposed selective wage-price controls) could expand the data-gathering authority.

One disturbing aspect of the proposed information-gathering authority, critics say, is the immunity from antitrust action granted with respect to any information furnished by anyone acting either "independently" or pursuant to a requirement of the bill [section 205(c)(1)]. They say that this is an open invitation to price fixing and other cartelizations of industry. It would reverse a long-standing and unchallenged principle of antitrust law and must necessarily reduce competition.

Japan faced the same dilemma.

The industrial policy also is often incompatible, in principle, with antitrust policy. Industrial policy encourages mutual persuasion, collaboration, and mergers among firms; antitrust legislation calls for the prosecution of those engaging in collusion and mergers in restraint of competition.

The proposed departure from U.S. antitrust policy will surely face scrutiny in Congress.

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- ¹Hubert Humphrey, "Planning Economic Policy," *Challenge*, vol. 18, no. 1 (1975), p. 21.
- ²M. Sharpe, "The Planning Bill," *Challenge*, vol. 18, no. 2 (1975), p. 3.
- ³*Ibid.*, p. 4.
- ⁴*Notes from the Joint Economic Committee*, vol. 1, no. 19 (1 July 1975), p. 17.
- ⁵Humphrey, "Planning Economic Policy," p. 24.
- ⁶M. Reagan, "Toward Improving National Policy Planning," in *Congress and the President: Allies and Adversaries*, ed. R. Moe (Pacific Palisades, Ca.: Goodyear Publishing Co., 1971), p. 76.
- ⁷Hubert Humphrey in *Notes from the JEC*, p. 12.
- ⁸*Ibid.*, p. 8.
- ⁹Jacob Javits in *ibid.*, p. 8.
- ¹⁰Reagan, "National Policy Planning," p. 75.
- ¹¹Leon Keyserling in *Notes from the JEC*, p. 10.
- ¹²J. Friedman, "A Planned Economy in the U.S.?" *New York Times*, 18 May 1975, p. 53.
- ¹³Humphrey, "Planning Economic Policy," p. 22.
- ¹⁴C. Merriam, "The National Resources Planning Board: A Chapter in American Planning Experience," *American Political Science Review*, vol. 38 (1944), p. 1087.
- ¹⁵Robert Nathan in *Notes from the JEC*, p. 11.
- ¹⁶Friedman, "A Planned Economy?"
- ¹⁷Merriam, "National Resources Planning Board," p. 1087.
- ¹⁸Friedman, "A Planned Economy?"
- ¹⁹Leonard Woodcock in *Notes from the JEC*, p. 10.
- ²⁰Wassily Leontief in *ibid.*, p. 10.
- ²¹Sharpe, "The Planning Bill," p. 6.

- ²²Ibid., p. 7.
- ²³Friedman, "A Planned Economy?"
- ²⁴Sharpe, "The Planning Bill," p. 11.
- ²⁵Ibid., p. 5.
- ²⁶Ibid., p. 7.
- ²⁷Humphrey in *Notes from the JEC*, p. 19.
- ²⁸Javits in *ibid.*, p. 19.
- ²⁹George Hagedorn in *ibid.*, p. 19.
- ³⁰Sharpe, "The Planning Bill," p. 7.
- ³¹Friedman, "A Planned Economy?"
- ³²Herbert Stein, "Better Planning of Less," *Wall Street Journal*, 14 May 1975, p. 14.
- ³³Ryutaro Komiya, "Economic Planning in Japan," *Challenge*, vol. 18, no. 2 (1975), p. 11.
- ³⁴Friedman, "A Planned Economy?"
- ³⁵John Sheahan, "Planning in France," *Challenge*, vol. 18, no. 1 (1975), p. 18.
- ³⁶Ibid.
- ³⁷Komiya, "Economic Planning in Japan," p. 18.
- ³⁸Reagan, "National Policy Planning," p. 75.
- ³⁹Sharpe, "The Planning Bill," p. 7.
- ⁴⁰Komiya, "Economic Planning in Japan," p. 12.
- ⁴¹Sharpe, "The Planning Bill," *passim*.
- ⁴²Humphrey, "Planning Economic Policy," p. 22.
- ⁴³Ibid.
- ⁴⁴Walter W. Heller, "Economic Policy Advisors," in *The Presidential Advisory System*, ed. Thomas E. Cronin and Sanford D. Greenberg (N.Y.: Harper & Row, 1969), p. 32.
- ⁴⁵"For a National Economic Planning System," *Challenge*, vol. 18, no. 1 (1975), p. 51.

⁴⁶Humphrey, "Planning Economic Policy," p. 23.

⁴⁷"For a National Economic Planning System," p. 52.

⁴⁸*Congressional Record*, vol. 121 (21 May 1975), p. S 8837.

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PART V

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Reports on a survey taken to develop a list of technologies that might be appropriate for technology assessment and to evaluate these technologies against several standards.

Boulding, Kenneth E. A look at national priorities. Current history, v. 59, Aug. 1970: 65-72, 111.

Byron, William J. 'Seeking a just society': an agenda for Americans. America, v. 132, Mar. 29, 1975: 229-233.

"If we want a new social policy, we have to change our values. Caring for genuine needs must replace satisfying artificial cravings, and our ruthlessly competitive economy has to be humanized."

Caldwell, Lynton K. Environmental policy as a catalyst of institutional change. American behavioral scientist, v. 17, May-June 1974: 711-730.

"...to examine the ways in which environmental policy, as an aspect of the politics of quality life, is influencing institutional and behavioral change."

Callahan, James J., Jr. Obstacles and social planning. Social work, v. 18, Nov. 1973: 70-79.

"Social planners spend too much time planning and not enough taking action."

Cameron, David R. Toward a theory of political mobilization. Journal of politics, v. 36, Feb. 1974: 138-171.

Posits a theory of political mobilization differing from most conventional interpretations. The author theorizes that "the structures and decisions of national public policy are identified as the critical initiating factors in mobilization, and political parties are seen as the critical agents in the process of mobilization."

Campfield, William L. Financial management and social reporting by the Federal Government in the 1970's. Footnote, no. 6, Winter 1972-73: 1-14.

Describes some of the grave social problems that Federal managers and their accountants and other professional advisers must confront, focusing on the constraints and limitations on social programs evaluation as well as selected examples of efforts by Federal auditors to assess the effectiveness of social program planning and performance.

Clausen, A.W. Toward an arithmetic of quality. Conference Board record, v. 8, May 1971: 9-13.

The first step toward effective policy making must be the development of a set of social accounts, or social report, that can "identify, assess and measure those elements of national life that are essential to our well-being -- and which are not, and cannot be, measured by present economic indices."

Cohen, Wilbur J. The quality of life and social indicators. National bureau report, Mar. 1972, suppl.: 1-111.

Argues for greater national concern with social problems rather than economic gains.

Conlisk, John. Can equalization of opportunity reduce social mobility? American economic review, v. 64, Mar. 1974: 80-90.

In response to a pessimistic article by Richard Herrnstein ("I.Q.," Atlantic, v. 228, Sept. 1971: 43-64), Conlisk presents a mathematical model which suggests that "opportunity equalization may increase or reduce social mobility, depending on the type of equalization. Either way, however, opportunity equalization will reduce inequality."

Cooper, Richard N. Resource needs revisited. Brookings papers on economic activity, no. 1, 1975: 238-245.

In light of the recent concern about long-term scarcity of natural resources, the author reviews a set of projections of U.S. needs for material made in 1952, when, as now, the nation was anxious about supplies. The author finds that the projections generally overestimated the needs of the economy for mineral raw materials in 1970s.

Cornuelle, Richard. The executive epidemic. New times (New York), v. 4, June 13, 1975: 47-51.

Asserts that America is overmanaged and maintains that an unmanaged society will in its own random fashion produce a more desirable and efficient "national overall result" than the present system.

Dahl, Dale C. Public policy changes needed to cope with changing structure. American journal of agricultural economics, v. 57, May 1975: 206-213.

Reviews "the nature of structural change at several industrial levels in the food and fiber system and its performance results" and proposes the study of changes in public policy that might cope with this changing structure.

Ehrlichman, John D. Memorandum for Secretary Peterson. Subj: National growth policy. The White House. May 31, 1972. Reprinted in Congressional record. 92d Congress, 2d Sess., vol. 118. no. 153. September 28, 1972.

This memorandum requests assistance from selected agency heads in "defining 'national growth policy', " in "defining the Federal role in national growth policy," in examining "present Federal policies toward national growth," in examining "present programs with national impact," and in examining "related topics of importance to the process and pattern of growth."

Fallows, James. How can we survive the seventies; a primer on the economy. Washington monthly, v. 5, Feb. 1974: 1-51.

Contents. -- Social equity, justice, and the equitable administrator, by D. Hart. -- Social equity and organizational motivation and organizational democracy, by M. Harmon. -- Social equity and the public service, by E. McGregor. -- Social equity and social service productivity, by S. Chitwood. -- Social equity and fiscal federalism, by D. Porter and T. Porter. -- Statistical theory and equity in the delivery of social services, by O. White and B. Gates.

Frankel, Charles. On defining the national interest. Perspectives in defense management, summer 1974: 71-80.

"The national interest, to this political philosopher, includes such values as civic spirit, public morality, constitutional government, and social justice.

Gavin, James M. A strategy for national survival. California management review, v. 17, summer 1975: 5-10.

"In this analysis of contemporary issues facing the nation, the author suggests that a strategy for survival must go beyond military strength to include the economic status of a nation, the conditions of its domestic society, and the degree to which that nation plans for its future. The planners who formulate such a national strategy also must carefully assess the international political situation and the distribution and availability of essential material resources, such as minerals, petroleum products, and foodstuffs."

Gavin, William F. Even 'Great Society' proponents hint it was a bust. Human events, Apr. 27, 1974: 18-19.

Criticized the winter, 1974, Public interest, whose contents "in one way or another seek to convince the reader that the Great Society was, after all, not all that bad and in some ways very successful."

Ginzberg, Eli. Solow, Robert M. Some lessons of the 1960's. Public interest, no. 34, winter 1974: 211-220.

Assesses the record of Great Society legislation and programs as "one of successes mixed with failures, of experiments that proved themselves at least partly successful, and experiments whose returns do not appear to have justified the effort."

Goodwin, Richard N. The American condition. New Yorker, v. 49, Jan. 21, 1974: 35-40, 43-54, 56-60; Jan. 28: 36-44, 47-51, 54, 56-68; Feb. 4: 48, 50-54, 59-91.

Reflects on the state of American political, economic, and social life.

Gordon, Lincoln. Environment, resources and directions of growth. World development, v. 3, Feb.-Mar. 1975: 113-121.

"This article examines the interrelations among environment, resources, and directions of growth in the United States and suggests some possible consequences for new forms of international collaboration and for alternative growth strategies in developing countries."

Gordon, Robert J. Alternative responses of policy to external supply shocks. Brookings papers on economic activity, no. 1, 1975: 183-206.

Analyzes the policy issues posed by an inflation initiated by commodity shortages -- like a decline in farm output or the cartelization of oil -- rather than by general excess demand. The author's general thesis is that the policy remedies appropriate for commodity shocks are different from those for widespread excess-demand inflation; he feels that the distinction between these two cases should be more clearly and carefully recognized.

Gordon, Theodore J. Some crises that will determine the world of 1994. Futurist, v. 8, June 1974: 115-121.

"A well known futurist peers 20 years ahead and sees five overarching crises that will dramatically affect human life."

Harman, Willis W. Changing society to cope with scarcity. Technology review, v. 77, June 1975: 28-35.

"Nothing less than revolutionary changes in our goals, values, and institutions will be needed for us to live in a materials-depleted world."

Hart Research Associates. Results of a nationwide public opinion poll conducted by Hart Research Associates for the People's Bicentennial Commission. Common sense, v. 3, no. 3, 1975: 11-12, 16-18. Reprinted in Congressional record daily ed. v. 121, Sept. 9, 1975: E4594-E4596.

Poll indicates that the American public has lost confidence in the economic system. 33% believe the capitalist system is on the decline, 66% favor basic changes, advocating employee ownership and control of American industry.

Hause, Gabriel. A perspective on these troublous times; a confident view of America in the present "decade of reckoning." Conference Board record, v. 12, Mar. 1975: 35-38.

Havemann, Joel. Call for fresh initiatives produces mostly old ideas. National journal reports, v. 6, June 22, 1974: 921-924.

"There are not likely to be many new proposals by the Administration in its final 1,000 days in office if the responses to a request of Cabinet Secretaries for 'key new thrusts' is any indication. Most of the responses to a memo asking new initiatives simply proposed variations of existing programs. Another batch of proposals included many previously rejected."

Heilbroner, Robert L. Priorities for the seventies. Saturday review, v. 52, Jan. 3, 1970: 17-19, 84.

Hill, Lewis E. The impact of economic growth and technology on resources and the environment. Atlanta economic review, v. 24, Mar.-Apr. 1974: 52-54.

Rebuts environmentalists' contention that technology and economic growth are the cause of wasted resources and a damaged environment. "Entirely to the contrary, it is argued that technology and economic growth are completely compatible with resource and environmental protection. Technological progress and economic growth are necessary but not sufficient causes of resource and environmental restoration."

How will we react to an age of scarcity? Conservation Foundation letter, Jan. 1975: 1-8.

"A chorus of warnings about endangered freedoms....Some examples of increasing conflicts over scarcer resources....A look at current environmental legislation....And some notes of optimism."

Huddle, Franklin P. Technology assessments: factors in setting congressional priorities. Technology assessment, v. 2, no. 3, 1974: 181-192.

"The paper deals with the question of how the Office of Technology Assessment (OTA) is to decide which assessment to perform and in what order."

Humes, Kathryn H. Shapanka, Adele. Determinating priorities for technology assessment. Technology assessment, v. 2, 1974: 145-157.

"...study to develop a methodology and implement a methodology to determine candidates and priorities for technology assessment."

Huntington, Samuel P. Postindustrial politics: how benign will it be? Comparative politics, v. 6, Jan. 1974: 163-192.

"The society of the future...will be a mixture of industrial and postindustrial components. If this mixture is heavily weighted in the postindustrial direction, its politics will also be both different and unpleasant. But if postindustrial society is, in fact, not all that different from industrial society, its political traumas and conflicts will be less intense and more familiar."

Jones, Oliver H. The economy in crisis: viable national growth policy vital to survival. Mortgage banker, v. 34, Mar. 1974: 5-6, 8, 10, 12, 14-15, 17.

Johnson, Bruce. National growth policy developments in 1973. In Remarks of Vance Hartke. Congressional record daily ed. v. 120, Jan. 23, 1974: S297-S302.

"1973 saw the most constructive developments yet in the effort to construct a national growth policy."

Kefalas, Asterios G. Carrol, Archie B. Environmental concern and business organizations: a survey. Georgia business, v. 35, Jan.-Feb. 1975: 2-10.

"...to provide some highlights of the survey which will give the reader an adequate idea of the main trends in executive opinions about the issue of Environment-Energy-Economic Growth and the role of government in providing the guidelines for a balanced condition of this triangle."

Kristol, Irving. Capitalism, socialism, and nihilism. Public interest, no. 31, spring 1973: 3-16.

Finds that the present social malaise is caused by a "spiritual vacuum" that in turn can provide no basis for the legitimacy of the social order.

_____. A foolish Americanism -- utopianism. New York times magazine, Nov. 14, 1971: 31, 93-94, 96-103.

The author examines the way government officials tend to speak in idealistic terms about national problems, thereby creating a type of credibility gap.

_____. Taxes, poverty, and equality. Public interest, no. 37, fall 1974: 3-28.

Considers the distribution of income and wealth in the U.S. and the redistributive effect of taxation. Notes that the distribution of income and wealth between the private and public sectors has changed greatly in the last 50 years.

Lecht, Leonard A. Pricing out of our priorities. Conference Board record, v. 12, Sept. 1975: 17-24.

Appraises how the developments in the past decade have been inducing changes in goals and standards which can influence national policy and national expenditures in the next five or 10 years. Concludes that goals concerned with providing services which promote human welfare received a higher priority. Goals linked with the nation's international posture -- national defense, research and development, or aid to the developing countries -- received a lesser priority.

Lamson, Robert W. National goals and science and technology: is a better synthesis possible? Extension of remarks of Charles S. Gubser. Congressional record daily ed. v. 120, Dec. 18, 1974: E7277-E7279.

Author is associated with the National Science Foundation, Office of Exploratory Research and Problem Assessment and delivered this paper at meetings of the Operations Research Society of America, San Juan, Puerto Rico, Oct. 18, 1974.

Linowes, David F. An approach to socio-economic accounting. Conference Board record, v. 9, Nov. 1972: 58-61.

Lord, Winston. America's purposes in an ambiguous age. Dept. of State newsletter, no. 162, Nov. 1974: 14-17.

Also appears in Dept. of State bulletin, v. 71, Nov. 4, 1974: p. 617-622. Speech by Director of the Policy Planning Staff.

McCready, William C. Greeley, Andrew M. The ultimate values of the American population; a preliminary report to the Henry Luce Foundation. Chicago National Opinion Research Center, University of Chicago, 1974. 1 v. (various pagings)

Partial contents. -- A typology of ultimate values. -- Demography of basic belief types. -- Familial background of the belief types. -- Ultimate values and religious behavior. -- The relationship between quality of life and ultimate values. -- Ultimate values and social behavior. -- Ultimate values and the paranormal. -- Religious education and ultimate values. -- The generation gap?

Muller, Ronald E. Globalization and the failure of economic policy. Challenge, v. 18, May-June 1975: 57-61.

"The global reach of giant conglomerates has rendered obsolete many of the premises on which policy is based. What is needed now is a system of democratic social planning that takes the new situation into account."

The National Goals Research Staff: report. Growth and change, v. 2, April 1971: 3-32.

Contents. -- Introduction, by B. Berry. -- Policies for balanced growth, by J. Fisher. -- The hidden Agenda, by J. Eberhard. -- The population issues, by P. Hauser. -- The feasibility of a national settlement policy, by J. Friedmann. -- The problems of spatial resource allocations, by N. Hansen. -- Environmental problems and the basic natural sciences, by R. Berry. -- The desirability of pluralism, by J. Meltzer.

National Public Policy Conference, 24th, Osage Beach, Mo., 1974. Increasing understanding of public problems and policies -- 1974: state of the economy, food policy, energy issues, land use policy and planning, improving the performance of government. Chicago, Farm Foundation, 1974. 117 p.

National Public Policy Conference, 25th, Clymer, N.Y., 1975. Increasing understanding of public problems and policies -- 1975. Chicago, Farm Foundation 1975. 134 p.

Partial contents. -- The U.S. economic system -- what is it becoming?, by L. Thurow. -- Power in the U.S. political economy -- issues and alternatives, by J. Shaffer. -- Concentration of power -- issues and alternatives, by D. Padberg. -- Energy options for today and tomorrow, by W. Vogely. -- World food issues. -- Domestic food and farm policy.

Okum, Arthur M. Equality and efficiency: the big tradeoff. Washington, Brookings Institution, c. 1975. 124 p.

Explores the conflicts that arise when society's desire to reduce inequality would impair economic efficiency, confronting policy-makers with "the big tradeoff."

Palmer, H. Bruce. New imperatives for tomorrow's policy-makers. Conference Board record, v. 7, Jan. 1970: 68-72.

Pious, Richard M. Sources of domestic policy initiatives. In Congress against the President. New York, Academy of Political Science, 1975. (Proceedings, v. 32, no. 1, 1975) p. 98-111.

"This essay focuses on the sources of domestic policy initiatives and deals with two issues: first, the changes that have occurred in the capacity of the executive and legislative branches to take policy initiatives; second, the conditions under which such initiatives are primarily first-stage (emphasizing innovation) or second-stage (emphasizing efficiency, due process, and other procedural values)."

Redburn, Thomas. A platform for the seventies. Washington monthly, v. 6, Oct. 1974: 9-18.

Advocates social and economic reforms and new foreign and defense policies.

Reese, Howard C., and others. Candidates and priorities for technology assessments: a survey of Federal executive agency professionals. Technology assessment, v. 2, no. 2, 1974: 127-144.

Remy, Richard C. Nathan, James A. The future of political systems; what young people think. Futures, v. 6, Dec. 1974: 463-476.

"The relationship between political structure and political attitudes is examined by testing the hypothesis that pre-adults will display more pessimistic attitudes towards the future of a political system characterized by the lack of a centralized government (the international system) than towards the future of a political system characterized by the presence of such a government (their own national political system). Data obtained from a national sample of high school seniors in the USA support the hypothesis."

Rivlin, Alice M. Social policy: alternate strategies for the Federal Government. Washington, Brookings Institution, 1974. 28 p. (Brookings Institution, Washington, D.C. General series reprint 288).

Suggests 4 new strategies for social policy: 1) reduce disparity in individual cash income, 2) federal financing of services such as medical and child care, 3) revenue sharing, 4) institutional changes.

Rosenau, James N. The coming transformation of America: resistant or accommodative? *World studies*, v. 1, spring 1974: 2-26.

Paper is written on the assumption that the American people and their political system are beginning a radical transformation. "Can a government which for 200 years has been organized to effect promotive adaptation be restructured to meet the requirements of a transformation to preservative orientations?"

Spilhaus, Athelstan. The next industrial revolution. *Conference Board record*, v. 7, Feb. 1970: 38-40.

Science Advisory Panel. A national public works investment policy; task force reports prepared for the Committee on Public Works, U.S. House of Representatives. Washington, U.S. Govt. Print. Off., 1974. 105 p. At head of title: 93d Cong., 2d sess. Committee print. "93-53"

Contents. -- National population distribution policy, report of Task Force No. 1 of the Science Advisory Panel. -- Toward a national public works investment policy: organizing for implementation, report of Task Force No. 2 of the Science Advisory Panel. -- Transportation report of Task Force No. 3 of the Science Advisory Panel. -- Values and the public works investment policy, report of Task Force No. 4 of the Science Advisory Panel.

Seaborg, Glenn T. The recycle society of tomorrow. *Futurist*, v. 8, June 1974: 108-115.

"A Nobel prize-winning chemist foresees the development of a 'steady-state' world in which resources are recycled and used with maximum efficiency."

Stillman, Peter G. The tragedy of the commons: a re-analysis. *Alternatives*, v. 4, winter 1975: 12-15.

"The 'tragedy of the commons' has been a frequent and helpful tool for the analysis of ecological and other issues....The pervasive tragedy of the commons can be met only by recognizing that there is no logically consistent solution to the tragedy of the commons, and then by ascertaining how to avoid the tragedy."

Stockman, David A. The social pork barrel. Public interest, no. 39, spring 1975: 3-30.

Survey of the costs and benefits of Federal social programs and of the political dynamics and durability of "the social pork barrel" suggests that a major shift in social policy strategy is urgently needed.

Terleckyj, Nestor E. Improvements in the quality of life: estimates of possibilities in the United States, 1974-1983. Washington National Planning Association, 1975. 285 p.

Partial contents. -- Basic estimates. -- Health. -- General level of earnings. -- Ability to learn. -- Continuity of income. -- Economic equality of sexes. -- Pollution control. -- Discretionary time. -- Science.

Wagner, Richard E. Politics, bureaucracy, and budgetary choice: the Brookings budget for 1974. Journal of money, credit and banking, v. 6, Aug. 1974: 367-383.

Review of Setting National Priorities: the 1974 Budget, by Fried, Rivlin, Schultze, and Teeters, criticized that work for its inadequate perspective regarding the framework of government, "particularly the properties of political competition and the supply of services by public bureaus."

Wright, George W. Toward a national community development strategy. HUD challenge, v. 5, Jan. 1974: 10-14.

Article identifies some considerations in a national growth and stabilization policy and outlines "some remedies based on strategic use of the Standard Metropolitan Statistical Area (SMSA) as a building block."

Federal Government Documents

U.S. Congress. House. Committee on Banking, Currency and Housing. The Federal Government and the future of urban life. Hearings, 94th Cong., 1st sess. June 23 and 24, 1975. Washington, U.S. Govt. Print. Off., 1975. 186 p.

Hearings survey urban problems and policies and the Federal role in meeting them.

U.S. Congress. House. Committee on Banking, Currency and Housing. Subcommittee on Housing and Community Development. Staff summary report on the oversight hearings on the President's 1974 Report on National Growth and Development. Washington, U.S. Govt. Print. Off., February 1976. 29 p. (94th Cong., 2d sess. Committee print).

U.S. Congress. House. Committee on Banking, Currency and Housing. To maximize the availability of credit for national priority uses. Hearing, 94th Cong., 1st sess., on H.R. 6676. May 12, 1975. Washington, U.S. Govt. Print. Off., 1975. 69 p.

U.S. Congress. House. Committee on Merchant Marine and Fisheries. Subcommittee on Fisheries and Wildlife Conservation and the Environment. Growth and its implications for the future. Part 1. Hearing with appendix, 93d Cong., 1st sess. May 1, 1973. Washington, U.S. Govt. Print. Off., 1973. 996 p. "Serial no. 93-7"

Participants in discussion included: R.W. Peterson, chairman of the Commission on the Third Century; D.L. Meadows, an author of *The Limits to Growth*; R.A. Frosch, Asst. Director of the U.N. Environment Programme; L.S. Brown, senior fellow of the Overseas Development Council; Alfred Heller, president of California Tomorrow; Steven Salyer, Citizens' Committee on Population and the American Future; and Peter S. Hunt.

Appendix contains "Selected readings on national growth and the environment," prepared by Clay H. Wellborn of Government Division, Congressional Research Service. The latter contains excerpts from *The Limits to Growth* and *Blueprint for Survival*; documents presenting current thinking on population, resources, and the environment; documents reflecting the state of development of national urban growth policy in the U.S.

. Growth and its implications for the future. Hearing appendix, 93d Cong., 1st sess. May 1, 1973. Washington, U.S. Govt. Print. Off., 1974. 2 v. "Serial no. 93-28, 93-29"

Part 2, entitled "The Parameters of Growth," discusses some of the points at which growth-related problems impact society and constrain decisions which must be made to cope with these problems." Part 3, entitled, "How Well Will Our Adjustment Mechanisms Work?" discusses some of the means which society needs to deal with these problems.

U.S. Congress. House. Committee on Public Works. A national public works investment policy: a strategy for balanced population growth and economic development. Hearing, 93d Cong., 2d sess. Nov. 26, 1974. Washington, U.S. Govt. Print. Off., 1974. 78 p.

U.S. Congress. Joint Economic Committee. Subcommittee on Economy in Government. Changing national priorities. Hearings, 91st Cong., 2d sess. Part 1, June 1, 2, 4 and 5, 1970. Washington, U.S. Govt. Print. Off., 1970. 265 p.

U.S. Congress. Joint Economic Committee. Subcommittee on Priorities and Economy in Government. National priorities and the budgetary process. Hearings, 93d Cong., 1st sess. Apr. 25-27, 1973. Washington, U.S. Govt. Print. Off., 1974. 153 p.

_____. Resource scarcity, economic growth, and the environment. Hearings, 93d Cong., 1st sess. Dec. 19, 20, and 21, 1973. Washington, U.S. Govt. Print. Off., 1974. 192 p.

U.S. Congress. Senate. Committee on the Budget. The 1976 first concurrent resolution on the budget. Hearings, 94th Cong., 1st sess. Vol. II. Washington, U.S. Govt. Print. Off., 1975. 553-1143 p.

Hearings held Mar. 11, 1975 -- the budget and national priorities; March 12 -- adopting fiscal policy to changing economic conditions; the budget and older Americans; Mar. 13 -- credit and monetary policy; the budget and defense; Mar. 14 -- the budget and defense; Mar. 17 -- the budget and economic policy; the budget and housing; Mar. 21 -- budgetary consequences of national security choices.

_____. Seminars; macroeconomic issues and fiscal year 1976 budget. Washington, U.S. Govt. Print. Off., 1975. 319 p. At head of title: 94th Cong., 1st sess. Committee print.

Vol. II -- Feb. 18, 1975 -- Critical choices in physical resources; Feb. 19, 1975 -- Critical choices in human resources; Feb. 20, 1975 -- Critical choices in national defense; Feb. 25, 1975 -- Energy policy and the 1976 budget; Feb. 26, 1975 -- Monetary policy and the credit markets in 1975.

U.S. Congress. Senate. Committee on Government Operations. Congressional Budget Control and National Priorities Act of 1973; report to accompany S. 1414. Washington, U.S. Govt. Print. Off., 1974. 47 p. (93d Cong., 2d sess. Senate. Report no. 93-675).

A bill "to strengthen congressional control in determining priorities of appropriations and expenditures by requiring the budget to be organized and submitted on the basis of national needs, agency programs, and basic program steps."

U.S. Congress. Senate. Committee on Interior and Insular Affairs. The evolution and dynamics of national goals in the United States. By Franklin P. Huddle, Congressional Research Service. Library of Congress. Committee print. (92d Cong., 1st sess.) 58 p.

"The purpose of this study is to identify the national issues implicated in the evolution and application of broad national goals in the United States. ...its scope is limited primarily to a historical consideration of broad goals of the Nation, philosophical, actual, and proposed."

U.S. Congress. Senate. Committee on Labor and Public Welfare. Full Opportunity Act; report to accompany S. 5. Washington, U.S. Govt. Print. Off., 1970. 14 p. (91st Cong., 2d sess. Senate. Report no. 91-988)

U.S. Congress. Senate. Committee on Labor and Public Welfare. Special Subcommittee on Evaluation and Planning of Social Programs. Full Opportunity Act, Hearings, 91st Cong., 2d sess. on S. 5. Washington, U.S. Govt. Print. Off., 1970. 439 p. Hearings held July 7...Dec. 18, 1969 and Mar. 13, 1970.

U.S. Congress. Senate. Committee on Labor and Public Welfare. Special Subcommittee on the National Science Foundation. National policy and priorities for science and technology act, 1974. Hearing, 93d Cong., 2d sess., on S. 32. Oct. 8, 1974. Washington, U.S. Govt. Print. Off., 1974. 700 p.

"To amend the National Science Foundation Act of 1950 in order to establish a framework of national science policy and to focus the Nation's scientific talent and resources on its priority problems, and for other purposes."

U.S. Domestic Council. White House public forums on domestic policy, 1975; report to the President. Washington, 1976. 765 p.

Summarizes findings of the six forums held in Denver, Tampa, Fla., Austin, Tex., Philadelphia, Indianapolis, and Los Angeles during Oct.-Dec. 1975. Focus of the discussion is on economic growth, resource development, social policy and community building.

U.S. Environmental Protection Agency. Office of Research and Development. Working papers in alternative futures and environmental quality. Washington, U.S. Environmental Protection Agency, 1973. 242 p.

U.S. General Accounting Office. Better followup system needed to deal with recommendations by study commissions in the Federal Government; report to the Congress by the Comptroller General of the United States. Washington, 1975. 40 p. "RED-76-33, Dec. 4, 1975"

"Greater benefits could be obtained from the work of special study commissions -- which the Government often uses to get advice on national problem areas or issues -- if an effective system were established to promptly and fully follow up the commissions' reports and recommendations. The Office of Management and Budget should provide the leadership in the executive branch for evaluating such recommendations and developing plans for action. Legislative action also would be desirable to clearly specify study commission objectives and require action by the executive branch."

. Federal materials research and development: modernizing institutions and management; report to the Congress by the Comptroller General of the United States. Washington, 1975. 68 p. "OSP-76-9, Dec. 2, 1975"

"Focuses on Federal materials R&D efforts and attempts to evaluate their organization in terms of their ability to meet national goals."

U.S. General Accounting Office. U.S. actions needed to cope with commodity shortages, multiagency; report to the Congress by the Comptroller General of the United States. Washington, 1974. 281 p. "B-114824, Apr. 29, 1974"

Examines the executive branch's decision making structure and process for commodity short-supply decisions and its long-run resource policy planning efforts; the impact and limitations of export controls; and commodity reporting and monitoring program of the executive agencies. Makes case studies for six commodities -- soybeans, wheat, cotton, fertilizer, cattlehides, and ferrous scrap.

U.S. Library of Congress. Congressional Research Service. Toward a national growth and development policy; legislative and executive actions in 1970 and 1971. Washington, U.S. Govt. Print. Off., 1972. 172 p. (92d Cong., 2d sess. Senate. Committee on Government Operations. Committee print).

_____. Toward a national growth policy; Federal and State developments in 1972. Washington, U.S. Govt. Print. Off., 1973. 249 p. (93d Cong., 1st sess. Senate. Document no. 93-19).

_____. Toward a national growth policy; Federal and State developments in 1973. Washington, U.S. Govt. Print. Off., 1974. 376 p. 93d Cong., 2nd sess. Senate. Document no. 93-123).

_____. Toward a national growth policy; Federal and State developments in 1974. Washington, U.S. Govt. Print. Off., 1975. (94th Cong., 1st sess. Joint Economic Committee. Committee print).

U.S. National Goals Research Staff. Toward balanced growth: quantity with quality. Report of the National Goals Research Staff. Washington, D.C., U.S. Govt. Print. Off., 4 July 1970. 226 p.

"This report is designed not as a listing of specific goals to be sought, but as a springboard for discussion and an aid to decision. It does not presume to say what our choices should be. Rather, it defines the questions, analyzes the debates and examines the alternative sets of consequences. ... The purpose of this report is to alert us to emerging needs, to stimulate us to think more deeply, more cogently and more analytically about the questions we face, and to give us a better appreciation of the framework within which those questions must be dealt with."

U.S. President, 1969-1974 (Nixon). Report on national growth. First biennial report to the Congress submitted pursuant to section 703(a) of title VII, Housing and Urban Development Act of 1970. Washington, U.S. Govt. Print. Off., 1972. 74 p.

U.S. President, 1974- (Ford). National growth and development: Second biennial report to the Congress, submitted pursuant to section 703(a) of title VII, Housing and Urban Development Act of 1970. Washington, U.S. Govt. Print. Off., 1972. 74 p.

_____. National growth and development: Third biennial report to the Congress, submitted pursuant to section 703(a) of title VII, Housing and Urban Development Act of 1970. Washington, U.S. Department of Housing and Urban Development, 1976. unpaginated.

Books

Arrow, Kenneth J. Social choice and individual values. 2d edition. New York, Wiley, 1963. 124 p.

Baier, Kurt. Nicholas Rescher. (eds.) Values and the future; the impact of technological change on American values. New York, Free Press, 1969.

Bauer, Raymond A. Second order consequences: a methodological essay on the impact of technology. Cambridge, MIT Press, 1969.

_____. Social indicators. Cambridge, Mass., MIT Press, 1966.

One of the earliest important works in the so-called social indicators movement. It is aimed at drawing a wide set of issues into public policy discussions.

Bell, Daniel (ed.) Toward the year 2000. Boston, Houghton Mifflin, 1968. 400 p.

The deliberations of the Commission on the Year 2000, sponsored by the American Academy of Arts and Sciences.

Blechman, Barry M. Edward M. Gramlich. Robert W. Hartman. Setting national priorities: the 1975 budget. Washington, Brookings Institution, 1974. 269 p.

Duncan, Otis Dudley. Toward social reporting: next steps. New York Russell Sage Foundation, 1969.

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Interview with Nobel-laureate Wassily Leontief on the functions of a national economic planning board in the Federal Government.

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Friedmann, John. Retracking America; a theory of transactive planning. Garden City, N. Y., Anchor Press, 1973. 289 p.

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"This book is a cooperative inquiry into the progress of economic and social planning in the United States: its principles, practices, and problems; its achievements, present status, and potentialities."

Jewkes, John. The new ordeal by planning. The experience of the forties and the sixties. London, St. Martin's Press, 1968. 240 p.

This book is a critique of the national economic planning effort in Great Britain.

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"This volume . . . attempts to demonstrate that systems analysis does provide knowledge that decisionmakers need; that it can serve to sharpen intuition; that its usefulness is not limited to questions of policy and planning that can be quantified; and, most important, that whatever its weaknesses, it produces more fruitful results, of far greater consequence and reliability, than any of its alternatives. . . . It is intended more as a sophisticated guide to users of analysis than as a manual for those who prepare such material."

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An effort to create a basis for connecting scientific knowledge to action.



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